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ABSTRACT

This document summarizes the findings of currently available evaluation studies of the Job Training Partnership Act (JTPA) and other related reports and data. Data from 26 studies conducted between 1980 and 1986 are presented under the following subject headings: the state role (monitoring and oversight, policy interpretation and leadership, management information systems, management of the governor's set-aside, coordination, technical assistance, administrative organization); the role of the Private Industry Councils and local elected officials (roles and relative impacts, policy differences, organization and staffing); the Title IIA program (participant characteristics, services, performance standards); the Title III program (program build-up, state administration, enrollee characteristics, recruitment, results); the Wagner-Peyser Amendments (state-level coordination with JTPA, effect of funding changes, impact); the federal role in job training programs; the Youth Employment and Demonstration Projects Act (policy interpretations, marketing and recruitment, services, results); the summer youth programs; the Job Corps (cost-benefit and process summaries); and the occupational outlook (occupational training, private sector demand, the dislocated worker supply). A bibliography lists the summarized studies. (MN)

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COMPENDIUM OF JTPA AND  
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AUGUST 1986

**COMPENDIUM OF JTPA AND  
RELATED EVALUATION STUDIES**

**U.S. DEPARTMENT OF LABOR  
DIVISION OF PERFORMANCE MANAGEMENT AND EVALUATION  
OFFICE OF STRATEGIC PLANNING  
AND POLICY DEVELOPMENT**

**AUGUST 1986**

## INTRODUCTION

This paper summarizes the findings of currently available evaluation studies of the Job Training Partnership Act and other related reports and data. The material is organized under the following subject area headings:

- State Role
- Roles of the Private Industry Councils and Local Elected Officials
- Title IIA Program
- Title III Program
- Wagner-Peyser Amendments
- Federal Role
- YEDPA
- Summer Youth Programs
- Job Corps
- Occupational Outlook

The studies which are summarized are listed numerically in the Bibliography, and can be identified numerically throughout the paper following the abbreviated title names of the studies.

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**I. STATE ROLE**

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## I. STATE ROLE

### A. MONITORING AND OVERSIGHT

#### Westat-State Report (1)

- ° Oversight of JTPA follows 3 patterns in 20 sample States:
  - 7 States (of 20) centralize administration in new agency directly responsible to Governor. Agency handles all aspects of JTPA including monitoring contracts, MIS.
  - 6 States divide JTPA administration between 2 or more agencies with one policy-making agency reporting to Governors and a line agency, such as the State Department of Labor administering contracts, collecting data, monitoring.
  - 7 States located JTPA administration in former CETA agency, but with more direct control by the Governor's office.
- ° Financial liability is a matter of concern, (e.g. responsibility for disallowed costs):
  - One-fourth of States have essentially assumed responsibility for disallowed costs but have imposed requirements on SDAs (e.g. intake and certification of eligibility must be by ES).
  - One-half of States have taken position that SDAs are ultimately responsible for disallowed costs.
  - There is an indication that financial liability requirements may be an obstacle to using CBOs as service providers since they lack resources to provide guarantees.

#### MDC Implementation Report (3)

- ° Two-thirds of States placed JTPA responsibility with State agency responsible for CETA. One-third used new or different agency.
- ° Even where JTPA is administered by former CETA agency, there were substantial shifts in authority (e.g. more direction by Governor's office).
- ° Four-fifths of sample States had done little work in setting up formal monitoring and evaluation systems due to implementation priorities.

- ° All States had undertaken development of information and fiscal systems.

#### Westat-SDA-Transition Year Report (5)

° In most cases, the predominant concerns of Governors have continued to be that the program (1) not turn into a "bad CETA program" and (2) serve politically important groups and be consistent with the programmatic priorities of the Governor. Consistent with this, the Governors have, for the most part, retained discretionary control over the set-aside funds under Title IIA and the allocation of the funds under Title III.

° State Councils played a largely advisory role in the early implementation of JTPA. But, by the beginning of PY84, Councils in eight States in the sample were beginning to play policymaking and oversight roles. However, in most States, the Council remains dependent upon State administrative staff.

#### Westat-SDA-Final Report (6)

° During the transition year Governors directly involved themselves only in situations where their appointees advised it politically. Governors were involved primarily through their appointees to the JTPA staff and State Council, who had gained their confidence to run the program and represent their interests.

° The major interest of Governors in PY84 (Phase III) was the development of stronger linkages between State employment and training (JTPA), economic development, and education programs. In 16 of the 20 sample States, Associates reported emphasis on improving coordination.

° Linkage efforts have dominated JTPA-related Employment Service (ES) activities at both the State and local level since program inception. The Employment Service was initially selected as the State JTPA administrative entity in only three sample States. Governors have moved in the direction of promoting the integration of ES activities. Improvements in coordination between ES and JTPA during PY84 were reported in over one-third of the States.

#### MDC-Report: Phase II (7)

° State oversight emphasized administrative procedures and requirements. Most issues of priority were left to newly formed local partnerships -- local government and PIC -- to negotiate and decide.

1985 NAB Survey (26)

° Majority of PIC chairs and SDA administrators rate performance of State satisfactory, but large minorities of both don't, with SDA administrators slightly less positive: 63% of PIC chairs were either "satisfied" or "very satisfied" (13.4%), while 55% of SDA administrators felt that way. The most common complaint of both was that the State "imposes too much control""or is overly restrictive."

## B. POLICY INTERPRETATION AND LEADERSHIP

### Westat-State Report (1)

- ° Governors taking lead role. In three-fourths of States Governor took personal role in implementing JTPA.
- ° Governors not electing active role were drawn into process by the need to resolve disputes among SDA's and State agencies.

### MDC Implementation Report (3)

- ° Some States used JTPA to fulfill broader State policies such as coordination with economic development.
- ° Most States (87%) adhered to policy of leaving programmatic decisions to SDAs. However, these States did establish "policy preferences" regarding target group situations which, while not mandatory, encouraged services to minorities, handicapped and other groups.
- ° Overall, States did not exert much influence on local decision making because of the focus on administrative issues and a desire to maintain good relations with SDAs.

### Westat-SDA Transition Year Report (5)

- ° By the end of the transition year most governors in the sample States had delegated their involvement to their appointees in the JTPA staff and State Council.
- ° By TY84, in eight of the twenty sample States, State Councils had moved beyond an advisory role and were assuming policymaking and oversight roles. In most States the Council still remained dependent on the State administrative staff.
- ° Some complaints have occurred from SDA administrators and PIC representatives that Councils have ignored them in favor of Community-based organizations.
- ° A potentially troublesome trend has been the replacement of Council members with less influential persons. "The Council membership has continued to diminish in its stature. Major industries are just not represented".
- ° SDA administrators complained about the lack of clear-cut directives from the States regarding allowable expenditures -- eligibility determination, monitoring, audit requirements, liability issues, ect. This will probably continue because State officials are trying hard to avoid establishing State financial liability. Therefore some States have decided against the rule-making role.

◦ In most States, Employment Service officials were expected to provide services and cooperate with the States hegemony over JTPA policy making. In the case of one SDA: "the top two officials in charge of the Employment Service were removed by the Governor. They were replaced by individuals who had proven to be much more cooperative and less concerned about questions of turf."

◦ In general, State legislators have not become involved with JTPA other than authorizing legislation to allow certain disadvantaged groups (Unemployment Insurance Claimants, AFDC recipients) to participate in JTPA.

◦ Interest groups that tried to influence policy during the transition year were (1) minority groups; (2) traditional employment and training service providers such as CBOs; (3) new claimants, including groups representing women, the aged, and the handicapped, and; (4) SDA administrators and PIC members.

◦ Governors set the tone for State government involvement in SDA delineations. Three distinct approaches were almost equally adopted:

- An active posture promoting a centrally determined plan for SDA designations;
- A broker role, mediating conflicts among local contenders for SDA status; or
- A passive or reactive role to local decisions.

◦ Governors of small, rural States often adopted the active role; those of medium and large, more heavily urbanized States commonly adopted broker or differential postures: "In general, the larger the State, the greater the proportion of former prime sponsors able to resist any change."

◦ State-SDA relations were categorized into 3 main groups:

- Governors regarded JTPA as an opportunity to reform the entire employment and training system. This tended to centralize the job training function through his office or a single cabinet department. At the same time, that effort usually led to significant decentralizing of authority to the SDAs and their PICs.
- Governors wanted to attain specific policy goals that required substantial centralization of authority at the State level. The goals ranged from setting up statewide economic development programs to distributing political rewards to specific groups.

- Lastly, Governors who tended not to be involved in early implementation of JTPA, and the arrangements that prevailed under CETA remained largely unchanged.

• The local setting:

- A gives primary status to the private-sector participants.
- CBOs remain the principal providers of JTPA services in some jurisdictions, in others their existence is in jeopardy.
- SDAs that are highly organized from the CETA period often "did not consult with the State on administrative issues because the county (SDA) staff is far more sophisticated than the State staff."
- Large urban SDAs are often dominated by city officials. On the other hand, in SDAs where county officials are the principal governmental representatives, the PICs seem to play the more dominant role.

• "Linkage mechanisms" between both State and local policies:

- Follow-up;
- Co-location of service providers;
- Information sharing;
- Joint funding;
- Joint intake, assessment, and eligibility determination;
- Joint planning;
- Joint programming;
- Joint recordkeeping;
- Joint use of staff;
- Purchase of services; and
- Referral

• Interactions between State and SDAs:

- Matters of public policy;
- Questions about organizational design and structure;

- Operational linkages among various organizations and programs;
- Ways of providing direct service delivery to participants.

#### Westat-SDA Final Report (6)

° After taking an active role in the early structuring of JTPA programs during the transition year, Governors receded from the program and relied upon their appointees and the State Council to run the program. In program year 1984, the major interest of the Governors in slightly over three-fourths of the sample States was in encouraging cooperation and efficiency between JTPA and State economic development and education programs. This included some improvement in cooperation between JTPA and the Employment Service.

° State/SDA relationships occur on many levels. Interaction takes place between State and local actors over:

- Matters of public policy;
- Questions about organizational design and structure;
- Operational linkages between various organizations and programs; and
- Ways of providing services to participants.

° States generally have sought to centralize the procedural and, to a lesser extent, budgetary aspects of JTPA. But SDAs, in most States, seem to have retained considerable latitude in implementing program and participant priorities, in determining service mix, and in establishing performance expectations. Variations in the socioeconomic conditions of the SDAs within the States helped to sustain these differences.

° Although State/SDA conflicts occurred over several issues, no issue was a source of conflict in a majority of the sample States. The most common potential source of conflict was the youth expenditure requirement.

° Questions concerning performance standards and incentive grants provoked problems in about one-third of the States. Some SDAs believed that the States were too rigid in their enforcement of the standards and/or were too slow in making incentive grants awards or in providing technical assistance to address problem areas.

° Conflict over Title IIA allocations, and problems associated with the 8 percent set-aside, youth competency, and SDA monitoring, were observed in about one quarter of the States:

- Some SDAs accused their States of not doing enough to restore from other sources their decreased allocation in (PY 1985) Title IIA funds, which had come as a result of lowered unemployment rates.
- Confusion existed between State educational agencies and SDAs over who was "in charge" of the 8 percent funds.
- In States beginning to explore seriously the youth competency area, tensions between the State and SDAs arose insofar as the responsibility for the formulation of such competencies was concerned.
- Some SDAs believed that the States were too prescriptive in their monitoring of SDA operations.

° Changes in unemployment rates caused shifts in SDA allocations of up to 40 percent and talk of reconfiguration of SDA boundaries, reallocation schemes and hold harmless provisions using State funds. The reasons are:

- Reallocation creates winners and losers
- State funding of a hold harmless means giving money to low unemployment areas
- Reconfiguration, unless it's voluntary, is "too political."

#### MDC Report: Phase II (7)

° The first nine months of JTPA operations were marked by an overall simplification of employment and training programming compared to CETA. This was in relation to:

- The number and variety of training activities;
- the extent and variety of support services;
- the number of contractors; and
- the amount of multi-component programming and duration of services.

- These changes were a result of:
  - the JTPA legislation;
  - the reduced funding; and
  - local decision makers.
- They added up in most SDAs to a fairly smoothly functioning set of activities that produced higher placement rates and lower costs than the legislation and the States required or the local SDAs expected.

C. MANAGEMENT INFORMATION SYSTEM

Westat-State Report (1)

- ° Four of the States surveyed indicated design and operation of MIS represented a current implementation issue.
- ° Some States have assumed the MIS functions for SDAs but may experience difficulties in providing adequate computer support.
- ° Half of sample States indicate use of the 6 percent set-aside funds to develop MIS systems.

MDC Implementation Report (3)

- ° All States had undertaken development of Statewide information system.
- ° Most State systems are requiring more data than that needed for Federal reporting on the assumption that Federal requirements will increase.
- ° Usual approach was to develop an on-line system.
- ° Most States were using 6 percent set-aside money to supplement development costs for MIS.

Westat-SDA Transition Year Report (5)

- ° State designed Management Information Systems (MIS), to record information over time regarding JTPA participants, can be troublesome to some SDAs who do not have the internal capacity to fully use MIS. This may lead to problems of accuracy. In some rural states the expense of maintaining a detailed MIS is a problem.
- ° Liability is another issue that may affect State-SDA relations. One State used its MIS to impose a State-wide set of administrative and financial reporting provisions to protect its interest under the program.

Westat-SDA Final Report (6)

- ° JTPA provides that 8 percent of funds under Title IIA of the act are to be used for vocational education purposes. Of this amount, 20 percent is available for coordination of vocational education and JTPA organizations and programs. In most cases, the State retained the 20 percent allowed for coordination purposes, often using some of these funds for administration and MIS development.

° More than three out of four of the 20 sample States either already have Title III MIS systems that are part of their overall JTPA MIS systems, or are in the process of developing integrated systems.

° More than one in three of the 20 sample States currently have some type of on-line MIS in place (data is entered on terminals at local offices/projects and transmitted directly).

° Generally, States with on-line systems generate monthly reports on participant data and monthly or quarterly reports on financial data. However, Associates report that in most of these States data can be accessed at any time although the currency of the data would range from a few days up to a month.

° States where data from hard copy files is entered on to the MIS at a central location generally also issue monthly reports on participant data and monthly or quarterly reports on the financial data. Associates from several States report that the emphasis of the financial reports is planned versus actual expenditures.

#### **MDC Report: Phase II (7)**

° Generally, State fiscal management and MIS systems are now in place (49 and 47 States, respectively), and most are seen as functioning satisfactorily. Other systems were not up and running with great consistency, however: Problems were reported (or systems were not yet in place) with labor market information in 22 States, monitoring and evaluation in 19 States, and participant follow-up in 28 States.

**D. MANAGEMENT OF GOVERNOR'S SET-ASIDE****Westat-State Report (1)**

- Vocational Education Set-Aside:
  - Most common method used (by 7 out of 20 States surveyed) of distribution by formula to SDA's, local education agencies, economic development districts or some combination of agencies.
  - Five States used a combination of formulas and RFP process in allocating vocational education funds.
  - Three States relying on RFP but limited to specified eligible bidders, (e.g. community colleges).
  - Three States assigned funds to a single state agency such as States Vocational Education Agency.
- Older Worker Set-Aside:
  - Six States formula-funded older worker set-aside to SDAs. However, three of these retained some part of set-aside for State level use.
  - Thirteen States used other mechanisms for distributing older worker funds, usually an RFP process.
  - State Agency for Aging usually controls use of funds in thirteen non-formula States.
- Incentive Grants:
  - Less than one-quarter of sample States planned incentive payments during transition year.
  - In 19 of sample States, some part of incentive funds are being used for technical assistance.
  - One-quarter of the States are using the funds to encourage services to special groups.
- Administrative Set-Aside:
  - Three States using administrative funds for economic development and employment generating activities.
  - Two States are supplementing SDA staff budgets.
  - Two States are funding model programs.
  - Thirteen States had only general plans for administrative uses such as technical assistance and auditing.

MDC Implementation Report (3)

- ° Little substantive planning on use of set-asides.
- ° Six States had not determined the use of education set-aside; the remaining nine States assigned funds to education departments (4), vocational education systems (3), junior college system (1), and various education agencies (2).
- ° Incentive set-asides are being used primarily for hardware and activities related to MIS. States indicated that future funds would be used for incentives but exact types of incentive systems have not been determined.
- ° Older workers set-aside use was not firm in most States. One State will distribute the set-aside to SDAs, three will support innovative proposals, other States are undecided.

Westat-SDA-Transition Year Report (5)

- ° Fewer than one-quarter of the sample States used the 6 percent set-aside funds for incentive payments during the transition year. In contrast 18 of the 20 sample States plan to award such grants in PY84, basing them on SDA performance in the transition year.
- ° Two bases for distributing the funds were contemplated by agency officials and Council members at the State level: (1) meeting or exceeding State-prescribed standards, and (2) meeting or exceeding standards for the hard to serve.
- ° Eight percent funds for education were initially sent directly to local education agencies (LEAs) from the State Education Department (SED). LEA proposals were submitted to SED without prior SDA review. As a result SDAs were frequently unaware of the proposals and subsequent grants. This was changed in PY84. SDAs signed off on all proposals . d also administered all funds after SED decided who would get them.

Westat-SDA-Final Report (6)

- ° Procedures for allocating set-aside funds reflect State discretion and consequently vary substantially. Changes made in PY84 in the allocation of vocational education (8 percent) funds reflect a movement toward more involvement of SDAs in the allocation process. Changes in older workers (3 percent) set-aside allocations were generally geared to increasing expenditure and reducing carryover.
- ° The evolution of six percent policies was an important feature of State-level implementation during PY 84. Most sample States summarized performance on various measures in a summary Title IIA "performance index" or developed other rules for summarizing performance (e.g. SDAs must meet a certain number of standards to qualify for incentive grants).

- ° Fourteen sample States (70 percent) reported that 50 percent or more of 6 percent monies are to be used for incentives. In most sample States, only a small fraction of 6 percent funds is allocated to technical assistance to SDAs.
- ° While some States developed incentive policies that reward SDAs based on quarterly performance, several States reported that PY 84 performance will be rewarded in PY 85. In some of these States, PY 84 incentive funds were spent on technical assistance, carried over to PY 85, or were simply allocated to SDAs based on Title IIA 78 percent allocations.

#### MDC Report: Phase II (7)

- ° Eight percent set-aside funds are delegated for use in education instruction, coordinating activity between JTPA and local education agencies. This has not been successful in developing local programming for dropouts or youth with serious educational deficiencies.
- ° Six percent set-aside funds are used by State governors "to provide incentive grants for programs exceeding performance standards, including incentives for hard-to-serve individuals".
- ° The three percent set-aside for older-workers had only modest interest in state JTPA offices.

#### Three and Eight Percent Set-Asides Study (25)

##### Significant Findings Regarding the Three Percent Set-Aside For Older Individuals:

- ° Most States administered the program through their regular Title II-A organization, using the established Service Delivery Areas (SDAs) and Private Industry Councils (PICs). However, at the same time, State Units on Aging (SUAs) played a significant role in policy formation.
- ° Resource allocation strategies were divided roughly equally between States that used Request For Proposal (RFP) approaches, allocation formulas, and some combination of methods that occasionally included performance based contracting.
- ° Some States reported problems recruiting individuals who met eligibility criteria. Many potential participants had incomes that were just above the maximum allowed. Solutions for this problem that were considered included not counting social security benefits as income, considering older individuals as a family of one, and pressing for legislation raising eligibility income thresholds to that of JTPA Title V.

° The primary service provided in the three percent program involved job search activities. Classroom and on-the-job training was used much less often than in the Title II-A program. However, when the three percent program was compared to just Title II-A participants 55 years and older, the percentage involved in job search activities was similar. This may reflect the fact that many older individuals already have marketable skills and a great deal of work experience, and only need help in finding a job.

° The entered employment rate for the three percent program was 64% and the average hourly wage at placement was \$4.52.

**Significant Findings Regarding the Eight Percent Set-Aside For Education Coordination and Grants:**

° State educational units, State Job Training Coordinating Councils and PICs all had policy making roles. Also, in almost half the States studied, local school districts participated as well.

° States were almost evenly divided in methods employed for distributing funds, using either the Title II-A allocation formula, RFP processes, or other strategies such as geographic targeting. Performance based contracting was not widely used.

° Characteristics of the overall population served were not significantly different from that served under JTPA Title II-A; although, there did appear to be lower percentage of participants receiving public assistance in the eight percent program.

° Over 90% of the program terminees participated in classroom training. This compares to 35% for terminees from Title II-A.

° In States that supplied information, 24% of terminees received transportation services, 17% received day care services, 3% received health care services and 1% received cash assistance.

° The entered employment rate for the eight percent program was 32%, and the average hourly wage at placement was \$5.06.

° The coordination portion of the program funded technical assistance and training to local agencies. In addition, some States used funds to develop printed materials and films, develop youth competency programs, and support occupational information systems.

° As part of the survey, NGA requested and received State descriptions of innovative and/or successful set-aside programs. A large number of these descriptions are included in the appendices of the report.

E. STATE JOB TRAINING COORDINATION COUNCIL AND PROGRAM COORDINATION

Westat-State Report (1)

- ° Caliber of SJTCC membership is high.
- ° In several States Governors have successfully recruited top executives to chair councils. Often they are chief executives and are able to recruit other influential private sector persons to serve on the council.
- ° States Councils appear to be forums for private enterprise and interests of economic development in a majority of the States.
- ° There is evidence of some conflict between private sector and public sector representatives on matters of targeting and use of discretionary funds.
- ° Activity level of States Councils high in three-fourths of States, with frequent meetings and subcommittees to address various issues.
- ° Councils were influential in determining SDA configuration and the administering agencies.

MDC Implementation Report (3)

- ° SJTCCs in sample States tend to be large, averaging 40 members, or about twice the size of earlier CETA councils.
- ° There is little overlap in members between CETA State Councils and SJTCC's.
- ° SJTCCs generally had more private sector members and of a higher level than under CETA.
- ° In most States, there was extensive involvement of SJTCCs in SDA designation, review of State's goals and objectives, and review of SDA training plans.

Westat-SDA-Transition Year Report (5)

- ° Private sector involvement at the State level:
  - One-third of the State level council (SJTCC) membership must be from the private sector.
  - The Chair of the State Council must be a nongovernmental representative.

- The roles of the State Councils ranged from active and influential, to dominated by the public sector, to purely advisory to the governor. (The primary influence in four of the twenty sampled States; in seven of the States the influence was roughly equal to the governors, and in the nine others the councils were purely advisory to the Governor).
- Interest by the private sector during the Transition Year has lessened: Public sector involvement is easier to ascertain because they have a direct economic interest. Special attention is needed to make sure that the Council's role is significant enough to involve private-sector people and keep them motivated.
- Forging a link between JTPA and economic development may be a key.

#### Westat-SDA Final Report (6)

° Early in the program, State Councils generally played a predominantly advisory role and concerns were expressed about high membership turnover and poor attendance. By the end of program year 1984, it was commonplace for State Councils to assume policymaking and oversight roles. Factors which contributed to a stronger programmatic role were:

- Greater stability in Council membership, especially among private-sector members;
- Evolution of a strong committee system;
- Regularization of meeting times and places;
- Formalization of SDA, PIC and State administrative staff participation in Council activities.

° An issue at the State level was whether private-sector involvement might wane after the initial organizational phase was over. In this regard, the conclusion to be drawn from Phase III of the study is that while the State Councils are, by their nature, advisory to the Governor and his staff, the role of the private-sector members has increased.

° In this phase of the study, 13 States Councils (65 percent) had private-sector contingents that were active or dominant, compared to eight at the end of the transition year. Further, although a number of Associates' reports suggested turnover in membership, in all but a few cases, this was due to expiration of terms or business transfers rather than disillusionment or lack of influence.

MDC Report: Phase II (7)

° The Councils were generally reported to have had a significant input in the initial planning phases of JTPA. The Pennsylvania Council, for example, presented the Governor with a list of approximately 35 recommendations for the Governor's Coordination and Special Services Plan. According to State staff, virtually all of these recommendations were incorporated into the new plan. Council input was not always so well received, but 60 percent of the States surveyed reported that the Councils had an active role in setting initial policy directions.

° Having assisted the States in setting initial broad policy directions, the current role of the State Job Training Coordinating Councils appears limited. There appear to be few ongoing roles for the private sector at the State level because the primary State functions at present are in activities such as coordination, technical assistance, monitoring, and oversight.

° Altogether, 33 States felt that increased private sector participation had made a notable difference in SJTCC deliberations in contrast to CETA's State Councils -- most often producing increased emphasis on cost-effectiveness and performance. Sixteen States, however, felt that increased private sector representation had made no difference in Council action and decisions.

N.C.E.P. Report on S.J.T.C.C.'s (19)

° The National Commission for Employment Policy is an independent Federal agency authorized under JTPA which reports to and advises the President and Congress. The 15 Commissioners are appointed by the President.

° "The State Council study reveals some very important and interesting trends in employment program policy development at the State level which we are very pleased with," stated Commission Chairman Trudy McDonald:

- "Governors in 34 States have accepted all of their State Councils' recommendations," she continued. "We are very encouraged by this level of confidence and authority that Governors have apparently placed in their State Councils. This seems to be fully consistent with legislative intent."
- Indeed, as the study notes, the Councils "are not only 'up and running' in each of the 50 States, but...most of them are also playing central roles in JTPA decision-making as well as devoting substantial amounts of time and energy to carrying out their statutory duties."

- Other key findings include:

- Relations between local private industry councils (PICs) and State Councils appear to be consistently good, resulting in part from good lines of communication, ranging from permanent spots for service delivery areas (SDAs) on State Council agendas to conducting joint SDA and State Council staff meetings.

- State Councils have tended to involve themselves most heavily in JTPA-specific operational issues, with less involvement to date in longer-term planning and policy issues. Nationally, coordination activities and attention to State discretionary funds head the list of State Council priorities.

- Still, a small but growing number of Governors have urged their State Councils take the lead role in devising overall State employment and training policy initiatives -- and in doing so, have expanded their scope substantially beyond the confines of JTPA.

- There does not yet seem to be a clear pattern of State legislative involvement with the activities of State Councils. The level of interest varies significantly from State to State.

- Attendance at State Council meetings is holding steady, and business participation is generally strong, although some concern was voiced about sometimes low levels of attendance by local elected officials or public agency representatives.

- State Council noted the current absence of mechanisms for exchanging information or comparing "best practices" among the States, and suggested that this may be an area for Federal involvement.

- As State Councils assume broader policymaker roles, the report concludes, "this may also signal a growing State-level recognition both of the new opportunities States now have to influence their own employment and training policies and service delivery systems...."

#### 1985 NAB Report (26)

- Most view State Council as effective. Close to two-thirds of PIC chairs feel that the State Job Training Coordinating Councils are "somewhat effective" (49.1%) or "very effective" (13.7%). SDA administrators felt slightly less positive, giving the State Councils a "somewhat effective" rating in 47.2 percent of the cases and a "very effective" rating in 9.5 percent of the cases. About a quarter of each group of respondents said the State Councils have "no impact."

**F. TECHNICAL ASSISTANCE**

**Westat-State Report (1)**

- ° 19 of sample States report technical assistance as a goal of 6 percent incentive funds. Technical assistance is tied to performance standards.
- ° In half of the sample States technical assistance is linked to developing management information systems.

**MDC Implementation Report (3)**

- ° Two-thirds of sample States held workshops and training sessions for SDAs.
- ° Initial technical assistance focused on MIS, fiscal systems, cash flow. There was little emphasis on program design.
- ° Most States are building a technical assistance capacity.

**Westat-SDA Transition Year Report (5)**

- ° The Department of Labor holds periodic technical assistance conferences for the SDAs. Regular information is furnished to the SDAs, including a "Service Delivery Area Planning Package" for preparing the annual plan. The State controls the set-asides and Title III funds, but the SDAs do not seem to resent this.

**Westat-SDA Final Report (6)**

- ° Some SDAs were reported to be much more sophisticated in their planning and operational capabilities than were their counterparts at the State level. For example, an Associate reported that "the [city/county SDA] does not view the State as the new regional office. It does not consult with the State on administrative issues because the county (SDA) staff is far more sophisticated than the State staff."

- ° One factor that reduces conflict is willingness on the part of the State to take part in SDA operations -- not to dictate policy, but to share ideas and to keep communications open. One State's Department of Labor insisted that its staff of field representatives attend all SDA/PIC meetings. Moreover, this State's Department of Labor holds periodic technical assistance conferences for the SDAs.

## G. ADMINISTRATIVE ORGANIZATION

### Westat-State Report (1)

- ° There are three basic forms of administrative organization:
  - In 7 out of 20 sample States JTPA administration is centralized in a single agency different from CETA. The agency reports directly to the Governor and is responsible for all functions.
  - In 6 out of 20 sample States, there is a separate agency, typically new, which works directly with the Governor and sets policy, designates SDAs, reviews plans and administers set-asides. A traditional agency, such as the State Department of Labor, is responsible for direct operations such as contract administration and technical assistance.
  - In 7 out of 20 sample States, the former CETA agency administers JTPA. However, this agency is now more directly responsible to the Governor.
- ° Where new agencies assumed responsibility for JTPA, they tend to have a strong orientation to economic development goals. Where former CETA agencies administer JTPA, the emphasis is on services to participants.
- ° JTPA is characterized by active role of Governor as compared to CETA. In all sample States, JTPA is located in Governors office or cabinet level agency.
- ° Administrative location of JTPA by specific agency for sample States:
  - State Department of Labor (7 States)
  - Economic Development Department (4 States)
  - Human Services Development (3 States)
  - Employment Service (3 States)
  - Office of Governor (3 States)
- ° Under JTPA, there has been a trend to centralize control at the State level as indicated by different SDA configurations established by the State and control over Title III funds.

° In three-fourths of the States, SJTCCs have taken an active and lead role with frequent meetings and participation in major decisions.

#### MDC Implementation Report (3)

° Two-thirds of 15 sample States placed the responsibility for administering Title II-A in the State office which had administered CETA.

° Of the remaining 5 States, three administered Title II-A through the Employment Service and two through the Governor's office.

° 5 States experienced some difficulty and delays in determining the administrative agency.

° Designation of former CETA agencies in MDC sample is in contrast to use of new agencies in Westat sample. However, large shifts in authority took place even where the CETA agency retained responsibility; under JTPA, agencies were more directly responsible to Governor and SJTCCs than under CETA.

#### Westat-SDA Final Report (6)

° By the early part of PY84, there appeared to be a "setting in" of the JTPA program. Some States with centralized operations during the early transition period had permitted more discretion on the part of their SDAs. Other States, however, that were less centralized at the outset have assumed more responsibility. There was less diversity among the States in their modes of operation in the summer 1984 than existed at the beginning of the program.

° More generally, the "setting in" of JTPA decisionmaking authority in the States has taken two forms. Whereas programmatic decisions, especially those under Title IIA, appear to be made at the SDA level, those involving administrative, management and fiscal, or regulatory matters have tended to be handled more directly by State officials.

#### MDC Report: Phase II (7)

° The act requires considerable cooperation in local programming by mandating that PICs and local governments work together. Further coordination, one SDA director said, "could turn JTPA into a web of complexity, without clear authority and direction." Several other SDA spokespersons stated that they felt coordination requirements to be an invasion of local prerogatives on how to manage the JTPA program best.

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**II. ROLE OF PICs AND LEOS**

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## II. ROLE OF PICS AND LEOs

### A. ROLES AND RELATIVE IMPACT OF PICS/LEOs IN SPECIFIC FUNCTIONAL AREAS

#### 1. PLANNING AND POLICY DEVELOPMENT

##### Westat-SDA Implementation Report (2)

- ° In six of the 22 SDAs surveyed, PIC is the primary actor:
  - Direct action taken to incorporate PIC and/or to give PIC a broad role in policy, planning, implementation, and review. PIC may employ its own staff (five of the six).
  - In four of these six SDAs, PIC is also the administrative entity.
  - In five of these SDAs, TY 1984 JTPA contractors were virtually all CETA contractors.
- ° In 15 of the 22 SDAs surveyed, PICs played an advisory role:
  - General plan review function.
  - Reliance on non-PIC (local government) staff to develop alternative recommendations.
  - Many advisory PIC's are moving toward an equal status with local government in PY 1984.
    - Establishing specialized sub-committees and focusing on specific priorities such as subcontracting policies.
  - Reasons for PICs settling for advisory role in TY 1984 were:
    - Short lead time for plan submittal.
    - Former CETA staff and LEOs were the only available source of plans and policies for TY 1984.
  - In these SDAs, the LEOs have been content to allow the existing local government CETA/JTPA professional staff to serve LEO interest: the LEOs have maintained a low profile.

° In the remaining SDA, PIC assumed primary role in specialized fields of interest and is advisory in other matters:

- Specialize in areas enhancing responsiveness of JTPA to employer needs:

. Marketing (customized training).

. OJT.

- PICs are in control and run projects in which they have particular interest.

° Given peripheral role of CETA PIC, JTPA experience to date represents an increased involvement of PIC and a significantly greater role for the private sector than under CETA.

#### MDC Implementation Report (3)

° In 28% of SDAs, PIC played strong leadership role in both policy and implementation.

° In 38% of SDAs, PICs played a reactive, advisory role:

- Does not mean that PIC did not influence policy, but rather that it did not exert influence by means of a defined PIC policy agenda.

° In 34% of SDAs, PICs were active policy makers:

- They had established an agenda of program issues which they advocated in working with local government in developing the SDA plan.

° Almost without exception, PICs voiced intention to play an even stronger role in policy and planning for PY 1984.

° All PICs were involved in review of the SDA training plan.

° PIC role under JTPA is unquestionably more extensive than under CETA and evidence indicates that PIC role will expand in the future.

#### 1984 NAB Report (24)

° In 74% of 583 SDAs surveyed, PIC intended to play an active significant role in the overall decision making process:

- Only 6% of SDAs indicated that PICs would not play a significant role in decision making.

- ° In 80% of SDAs, PICs intended to play an active, significant role in planning PY'84 programs:
  - Only 5% of SDAs indicated that PICs would not play a significant planning role.
  - In remaining SDAs, PIC role was of minor significance.

#### Westat-SDA Transition Year Report (5)

° There has been a significant turnaround in the PIC role since the beginning of TY84. At the time of the earlier report, only 27 percent of the PICs in the sample had achieved a primary role in JTPA planning. The current findings indicate that the PIC has emerged as a primary or dominant actor in twenty-four of the forty SDAs (60 percent). The roles of the PIC and local elected officials were characterized as equal in seven SDAs. In only nine SDAs was the role of the PIC thought to be purely advisory.

#### Westat-SDA Final Report (6)

° At the SDA level, there has been a steady rise in the influence of the PICs and their private-sector members. In the initial phase of the study, 45 percent of the PICs were judged to be advisory to the local elected officials and JTPA staffs. By Phase III, the PIC was judged to be the primary influence on program planning in 65 percent of the SDAs in the sample.

#### MDC Report: Phase II (7)

° Local government dominated over two-thirds of the urban SDAs. PICs dominated 8 of the 25 field survey sites.

° Nine of the sampled SDAs "shared authority": PICs took a policy leadership role, but local government retained the ability to intervene.

° Ninety percent of the total sample SDAs reported moderate to substantial PIC involvement in management issues. PICs also took an active roll in contractor selection. PICs widely favored on-the-job training and occupational classroom training. Single activity programs of shorter duration were preferred over multi-component programs.

° Local Government-Primary functions included planning, monitoring and oversight.

° Many PICs complained that local officials gave them too little time to review plans. In ten percent of the SDA sites, PICs took on the administrative functions of JTPA.

° Policy Directions - Local governments that weren't dominated by PICs generally were concerned that JTPA was not funded to deal with the structurally unemployed. "The public has a greater immediate interest in dealing with hard core unemployed and long term welfare recipients."

1985 NAB Survey (26)

° Direct LEO involvement in JTPA varies widely. About a third of PIC chairs and SDA administrators describe the local elected official(s) in their SDAs as being personally involved with the PIC on a regular basis. But, more than a quarter of PIC chairs and more than a third of SDA administrators said that the LEO delegates all activities with the PIC to the SDA staff.

° Employment Service plan developed in close coordination with the PIC in majority of SDAs. PIC chairs representing almost 60 percent of the SDAs surveyed reported that either PIC members or SDA staff worked closely with employment service staff to develop the local ES plan before it was submitted to the PIC for review and approval. In 13 percent of the cases, PIC chairs said that the ES plan was discussed extensively by the PIC even though they and their staffs had not been involved in its development.

° No one change to law suggested by majority of chairs or administrators. Almost half of the PIC chairs and more than two-fifths of SDA administrators thought either that no change should be made to JTPA to increase private sector involvement or declined to make any concrete suggestions for changes to the law. No single change was mentioned by those suggesting improvements by more than five percent of the respondents.

° Seventy-five percent of PICs make suggestions for occupational training and in about 46 percent of these cases, suggestions for occupational training were provided primarily by business members.

° Most PICs recommend training mix and majority offer sequenced program. The overwhelming majority of PIC chairs reported that PICs had discussed and recommended the training mix for both adults (89.4% of PIC chairs) and youth (83.2%).

° Length of training most often decided on individual program basis. According to SDA administrators, two-thirds of PICs are involved in determining the length of training for occupational skills programs. Although 4-6 months was identified as a commonly used length of training, most PICs opt to determine the appropriate length of training on a case-by-case basis.

° Most business members satisfied with role, level of decision making. An overwhelming majority of each group of respondents -- 85 percent of chairs and 89 percent of administrators -- described business members as either "satisfied" or "very satisfied" with their role and level of involvement in the PIC decision making process. Of those that were dissatisfied, half of the chairs and a quarter of the SDA staff responding cited bureaucratic structure and burdensome paperwork.

° Level of business involvement in the PIC has been sustained or increased over the last two years. When asked if the level of business involvement in the PIC has changed since JTPA's implementation, 90 percent of the PIC chairs and 93 percent of the SDA administrators reported that private sector involvement has been the same or increased since JTPA's implementation. Among interviewees reporting increased involvement, 62 percent of both groups said members' greater understanding of the system was the reason.

° PIC business members involved in a wide variety of activities. Business members frequently engage in activities beyond those minimally required of them. Ninety-seven percent of the PIC chairs reported that business volunteers participate in at least one extra activity and the typical PIC chair listed an average of four extra activities, including: marketing JTPA; involving their own or other companies in JTPA; participating in on-site program monitoring; and assisting with the implementation of summer youth programs.

## 2. SELECTION OF SERVICE PROVIDERS

### MDC Implementation Report (3)

- Twenty five of the 57 PICs played an active role in the selection of service deliverers.
- Another one-third of the sample PICs expect to play a greater role after the first nine-month period is completed and contractors' performance has been reviewed against the Federal performance standards.
- Over three-fourths of PICs saw contractor selection as a key role for the PIC.
- Remaining 25% were in large urban SDAs (did not see their role extending to operational issues because of complexity and size of programs) or in rural areas (often saw no alternatives for contractors beyond local government, small business and an occasional CBO).
- Forty percent of PICs saw one of their responsibilities as attracting more local businesses to operate programs.

### 1984 NAB Survey (24)

- Seventy-seven percent of SDAs indicated that PICs would play an active, significant role in selecting service providers.

### Westat-SDA-Transition Year Report (5)

- Private Sector Participation at the SDA Level
  - PICs are the major avenue for private-sector participation in SDAs. PICs are supposed to perform the oversight function jointly with local elected officials.
  - Among the twenty-seven PICs in the study, seventeen had members who had experience with job training programs through previous CETA membership. Not coincidentally, a total of ten PICs were found to be purely advisory to the local officials.
  - By the end of the transition year PICs had primary or dominant influence in 24 of the 40 SDAs studied. Participation was moving upward in thirteen SDAs and downward in only seven.
- Carryover of subcontractors from CETA to JTPA was the norm rather than the exception for both contract years. Some were dropped if they had a poor placement record, did not agree to performance-based contracts, had high cost per service unit, or served few participants.

- "They [the PIC] and the new private sector members feel no pressure to fund poor service providers".
- In one case: "The State Chamber of Commerce is quite actively involved in promoting JTPA....for example, with the help of some 6 percent money, an employer outreach program was conducted in one region that resulted in fifty requests from employers for OJT contracts. Before the program, these employers hadn't heard of JTPA".
- PICs can help define skill requirement needs of program graduates, and develop and refine curriculum and training methodologies.
- Perhaps the most far reaching impact of private-sector participation in JTPA has been the increased attention to the demand for labor (i.e., the needs of business) as opposed to the supply of labor (participants needs).

#### Westat-SDA Final Report (6)

° Private-sector input is also valuable when it comes time to pull the plug on an unproductive contractor. Emphasis on results and efficiency is a natural role for private-sector council members. One of the most likely places for lobbying and political pressure is in the selection or retention of service providers. This is particularly true if the service provider is identified with a politically important or powerful group or geographic area. According to the Associate in a large-city SDA:

- "They [the PIC] and the new private-sector members feel no pressure to fund poor service providers. The private-sector orientation of JTPA seems to offer the rationale for cutting them off, an orientation which was not present under CETA. Undoubtedly the private-sector majority on the PIC makes such decisions easier, and harder to overturn through political means."

#### MDC Report: Phase II (7)

- ° Contracting with vendors on a performance basis makes service providers reluctant to delegate intake, placement or other services to other parties.
- ° Agency goals or regulations often differ on eligibility, expense rules, performance requirements and other key areas. Resolving these differences usually requires strong support from the State and Federal level.

- Private for-profit businesses were major service providers at 67 percent of the field and telephone survey sites.
- The Employment Service was a major service deliverer in 34 percent of the sample sites.
- Other Major deliverers:
  - Private training organizations--usually classroom training (39 percent of SDA's);
  - Community Colleges - (31 percent of SDA's); and
  - CBO's (38 percent of SDA's).

### 3. ADMINISTRATIVE ENTITIES/GRA NT RECIPIENT DESIGNATION

#### Westat-State Report (1)

° Eighty-one percent of SDAs named the same organization or two units of the organization as both grant recipient and administrative entity:

- Units of local government took both roles in 50% of SDAs.
- PIC or the "consortium" took both in 15% of SDAs (because the term "consortium" appears in the names used to identify some PICs, this 15% is the upper limit of PIC involvement: many of the "consortia" included in this count are probably composed of LEOs).
- The remainder of these SDAs chose entities such as State agencies, economic development or planning districts and miscellaneous other agencies.

° Prevalence of LEO and units of government as both administrative entity and grant recipient stems from several reasons:

- In several States, the governor or the State SJTCC required that these roles be taken by entities possessing the power to levy taxes.
- Existing CETA prime sponsors (mainly local government) had established fiscal and administrative systems in place.
- Thus, the potential liability issue seemed to play a significant role in designation of administrative entity and grant recipient by the local entities.

#### MDC Implementation Report (3)

- ° In 91% of cases the same entity was selected as both grant recipient and administrative entity.
- ° Units of local government (or combinations of units of local government) assumed both roles in 75% of SDAs surveyed.
- ° General reasons for local government dominance were (1) experience of local government, (2) established fiscal and administrative systems and procedures, and (3) PIC concerns about potential liability.

1984 NAB Report (24)

- ° In 80% of SDAs, the same entity was selected to serve both as grant recipient and program administrator.
- ° In 71% of SDAs, local government serves as program administrator, grant recipient or both.
- ° In 15% of SDAs, PICs have assumed one or both of these responsibilities.

Westat-SDA Transition Year Report (5)

° Organizational arrangements for the grant recipient and administrative entities vary widely among the sample SDAs. A summary of these arrangements is as follows:

- A State agency is the grant recipient and administrative entity in five SDAs. Four of these SDAs comprise an entire State or a major portion of one.
- The grant recipient and administrative entity is some form of multicounty agency in five States. The agency might be a development agency, a council of governments, or a cooperative education agency. The number of counties covered ranges from two to fifteen and are all rural.
- A county agency is the grant recipient in seven SDAs and the administrative entity in six. One is a balance-of-county SDA, two are counties that include large cities, and two are multicounty SDAs in which one county takes the lead.
- The Private Industry Council (PIC) is the grant recipient in seven SDAs and the administrative entity in six. These are the only cases in which the PIC itself administers the program and operates at least part of it.
- Some agency other than those identified above is the grant recipient in eight SDAs and the administrative entity in nine. These include local elected official (LEO) boards, PIC/LEO boards, community colleges, a city/county employment and training office, a Community Action Agency, a chamber of commerce, and a six-county consortium.

Westat-SDA Final Report (6)

- ° Private-sector people are playing other roles in JTPA programs besides serving on PICs. In six of the 40 sample SDAs the PIC itself is the grant recipient and administrative entity. Obviously in these cases, the private-sector PIC members participate in the usual functions associated with overseeing a major undertaking.

MDC Report: Phase II (7)

° Those SDAs with strong and active PICs--eight of the 25 field survey sites--frequently reported that local government interest in employment and training declined with the end of CETA public-sector employment and with the general reduction in funding. However, in contrast to the largely reactive role played by PICs in the government-led SDAs, local government was likely to be active, even if in a supporting role. Given that local governments are both grant recipient and administrative entity in 75 percent of the SDAs, this was to be expected.

CSR Report (23)

° Local government agencies serve most often as the grant recipient and program administrator, with 45.6 percent of all SDAs reporting that a local government agency serves in both capacities. PICs are the second most commonly used entity, serving in both capacities in 10 percent of the SDAs. In 85 percent of all SDAs, a single entity acts as both grant recipient and program administrator.

B. POLICY DIFFERENCES: PICs vs. LEOs

Westat-State Report (1)

- ° In those SDAs where PICs are moving aggressively into local planning, there may be an erosion of LEO planning authority and interest in Titles II & III.

Westat-SDA Implementation Report (2)

- ° Very few instances of serious divisions within the PICs along public/private sector membership lines.

- ° Tensions between PIC and local government staff are more common.

- ° Increased use of low wage OJT viewed by some staff as a form of "corporate welfare" subsidizing training cost of employers with high turnover rates.

MDC Implementation Report (3)

- ° PICs, without exception, support the 15% administrative cost limit while local government staff are, in some cases, in dispute with the PIC over the lack of administrative funds.

- ° PICs tend to see primary focus of JTPA as serving the needs of the local labor market and achieving high performance in meeting these needs.

- ° Local government staff (primarily carried over from CETA) agree with the PICs in their perception of JTPA, but hold strong feelings that publicly-funded employment and training programs ought to direct services to those most in need of services.

- ° While there are tensions and occasional disagreements, serious breakdowns between PICs and local government are not in evidence.

- ° Tensions between PICs and local government staff on issue of targeting (most job ready vs. most in need) are likely to increase during planning for PY 1984.

Westat-SDA Transition Year Report (5)

- ° Quote from a particular SDA: "The PIC seems to appreciate the excellent OJT results the administrative entity has achieved. On the other hand, the administrative entity seems to resist giving the PIC the kind of thorough policymaking, monitoring and evaluation role the PIC wants. This has occurred in SDAs where the States professional staff is the administrative entity rather than the PIC/LEOs."

° The PIC directly controlled the staff in nearly half the SDAs, either because the PIC (or the PIC in combination with local government) served as administrator, or because the PIC had its own staff separate from the administrative entity.

° In six of the sampled SDAs local officials (LEOs) had more influence than either the administrative staffs or the PICs. In some of these cases LEOs have aggressively subordinated the PICs.

**MDC Report: Phase II (7)**

° Local governments tended to be more concerned (than the PICs) regarding policies relating to the eligible population. They were more likely to be concerned with entrance criteria, targeting policies, and in monitoring the flow of participants.

° A strong indication of satisfaction is that the agreements detailing the relationships established initially appear stable. With only two exceptions in the 57 sample SDAs, in fact, no significant changes have occurred or are anticipated. Fifty-five of the 57 SDAs reported that PIC/LEO agreements had been or would be renewed without significant changes.

**1985 NAB Survey (26)**

° PIC-LEO relations rated satisfactory. Over 75 percent of PIC chairs and SDA administrators rate the relationship between the PIC and the local elected official(s) as either "good" or "excellent." In only about eight percent of the cases was the relationship described either as being poor enough to negatively affect program operations or as "nonexistent."

° Chairs and administrators rank goals differently. In descending order of priority, PIC chairs mentioned improved services to the most in need, better program quality, increased quality and quantity of placements and enhanced program administration as their primary goals for PY'86. In contrast, SDA administrators most often cited better administration as their PY'86 goal, followed by improved program quality and increased recruitment of the most in need.

° Ninety percent of the chairs and administrators rate relations between public and private sector PIC members "good" or "excellent." When asked if this relationship had changed, approximately 70 percent of each group reported that relations had remained the same and over a quarter of each group reported that relations had improved over time.

• Despite good working relations, differences exist in substance and style between business and non-business PIC members. When asked to specify differences in style or approach, About half of those noting differences said that business members as a group are more outcome oriented and cost conscious.

• PIC chairs say they volunteered for various reasons, but most stay involved because they believe in the public/private partnership and the need for a training system that serves the disadvantaged and long term unemployed. More than a third of the chairs interviewed (39.4%) said they agreed to serve on the PIC simply because they were asked. Another half (47.8%) said their involvement stemmed from their belief that JTPA was a good idea, their desire to help the unemployed, or their sense of community spirit.

### C. COMPOSITION, ORGANIZATION AND STAFFING OF PICs

#### Westat-SDA Implementation Report (2)

- Relatively few PIC members carry over from CETA Title VII PICs.
- In five of the six SDAs (out of the 22 surveyed) where PIC takes the primary role, the PIC has a staff of its own:
  - In two of these six, the PIC retains a limited staff utilized for specific functions such as marketing and OJT.
  - In three, the PIC has a full staff which came largely from former CETA administration.

#### MDC Implementation Report (3)

- All PICs had at least majority of members from business community:
  - Two-thirds of PICs had more than 51% of members from business.
  - The average was 59% business membership.
  - Business members were most often owners or chief executive officers, with many small business members.
  - Seventy percent of PIC business members were "new" to employment and training -- had not served on CETA Title VII PICs.
- LEOs were generally very positive about the prospects for their partnerships with the PICs.
- Some PIC business members reported that one possible problem will be to ensure that business members show up at PIC meetings to maintain voting majority.
- Only 12% of PICs (seven of 57) have and control their own staff.
- Another 20% of PICs had local government staff assigned to them
  - Local government generally retained staff capacity to collect and analyze information, make recommendations and perform work required for policymaking and oversight.
- Fifteen percent of PICs were incorporated and an additional 10% intended to incorporate:
  - Incorporation per se was not related to PIC impact on local policymaking.

1984 NAB Report (24)

- Most PIC members are new to the employment and training system; only one-fourth had served on CETA, PIC or prime sponsor planning council.
- Almost 11,000 business volunteers are serving on PICs.
- Average PIC has 25 members with the size of PIC ranging from 9 to 134 members.
- In 91% of SDAs, local business groups were involved in the selection of business members of PIC.
- Only one-fourth of PICs had hired, or intended to hire their own staff.
- One-fourth of PICs were incorporated at the time of the NAB survey while another 17% had definite plans for incorporation.
- PICs acting as grant recipients (10% of total) were far more likely to be incorporated than were PICs not serving in that role.

Westat-SDA Transition Year Report (5)

- The JTPA legislation specifies that besides private-sector representatives, who must constitute a majority, the PIC must include representatives of all education agencies in the SDA, organized labor, rehabilitation agencies, community-based organizations (CBOs), economic development agencies, and the Employment Service.
- All of the PICs studied met these standards, but there were differences in size, other constituencies represented, and numbers of representatives for the various required constituencies. The PIC size ranged from thirteen to forty-three members; the median was twenty-three.

MDC Report: Phase II (7)

- Private sector involvement (PICs) experienced large turnover at half of the 32 telephone survey SDAs. The inability of PIC membership and leadership to make the time commitment and frustration with bureaucratic procedures were frequently cited.
- Seventy percent of JTPA's PIC members had not previously served on CETA PICs. One reason for this turnover in PIC membership was that the new act required greater executive and owner participation, and many Title VII PIC members felt they could not accommodate these increased demands on their time.

° No local elected officials reported difficulty in soliciting volunteers to serve on PICs. As evidence of both the public sector's willingness to involve the business community and the private sector's willingness to serve, two-thirds of the 57 sample SDAs indicated that business participation on the PICs exceeded the 51 percent mandate.

### 1985 NAB Survey (26)

° PIC chairs have extensive employment and training experience. Over 90 percent of all chairs have served in some capacity on the PIC for at least two years. The typical chair in 1985 had served as chairperson for an average 17 months.

° Two-thirds of chairs represent top management in their firms. Of all chairpersons surveyed, 43.4 percent are chief executive officers of their firms. Other top management positions held by PIC chairs in 1985 included those of vice president (11.9%) and head of a local operation for a firm with multiple sites (9%).

° PIC chairs generally represent small and medium sized firms. Nearly three-quarters (72.6%) of the PIC chairs surveyed work for companies that employ 500 or fewer workers in the SDA, and half of all chairs are from firms with local employment of 100 or less. Twenty-six percent of all chairs represent companies with 10 or fewer employees.

° PIC chairs represent the full range of U.S. industries but their distribution across sectors differs significantly from the distribution of employment nationally. For example, about one-third (35.1%) of PIC chairs represent the manufacturing sector, which employs 20 percent of all U.S. workers. On the other hand, only about 28 percent of PIC chairs represent trade and service firms, but these sectors together employ 55 percent of all workers.

° Proportion of incorporated PICs grew in 1985 -- 47 percent compared to 43 percent in 1984 and 24 percent in 1983 -- but this trend appears to have slowed. Only 2.6 percent of unincorporated PICs intend to incorporate in the foreseeable future.

° Half of PICs meet monthly and most work is performed by committees. The frequency of regular meetings of the full PIC has declined from last year. In 1984, 62 percent of PICs reported meeting on a monthly basis compared to 49.2 percent in this year's survey. Standing committees exist in more than 94 percent of all PICs, with a planning or executive committee established in more than two-thirds of these cases (69.6% and 67.4%, respectively).

- ° Over half of PIC members are appointed for 2 or 3 years and the majority are reappointed. Fixed terms of two or three years were reported by 30.2 percent and 27.4 percent of PICs, respectively. Virtually all PICs (99.4%) allow members to serve consecutive terms, and in only six percent of all PICs have members not been rearpointed.
- ° Two-thirds of PICs rely on the SDA's administrative staff for support. Less than one-third (29.8%) of PICs employ their own staff and in half these cases, the PIC serves as the administrative entity.
- ° Almost all PICs receive frequent progress reports. Over 90 percent of SDAs provide monitoring and evaluation reports about individual programs to PIC members at least quarterly and over half of SDAs provide reports on a monthly basis.
- ° Most PIC chairs rate staff competence, responsiveness as "excellent." In spite of the fact that most PICs do not select the staff they rely on for information and support, 85 percent of PIC chairs rate their relations with SDA staff as either "excellent" (54.5%) or "good" (30.7%). Furthermore, more than 90 percent of PIC chairs judge the competence and responsiveness of SDA staff as either "excellent" or "good." Similarly, SDA administrators rate their relationship with the PIC as "excellent" or "good" in almost 90 percent of the cases.

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**III. TITLE IIA PROGRAM**

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### III. TITLE IIA PROGRAM

#### A. CHARACTERISTICS OF PARTICIPANTS

##### 1. JTLS: JTPA VS. CETA PROFILE (4) <sup>1</sup>

° Total participants for the 594 SDA's for Program Year 1984 were approximately 941,600.

° 93% of the JTPA participants were economically disadvantaged.

- this compares to 95% for the Transition Year.

° Similarities in participant characteristics between JTPA and CETA include:

- male/female composition (48% JTPA vs. 50% CETA);

- dropouts (27% JTPA vs. 26% CETA);

- AFDC Recipients (21% for both programs).

° Major differences include:

- youth (40% JPTA vs 46% CETA);

- high school graduate (60% JTPA vs. 41% CETA);

- public assistance recipients (42% JTPA vs. 28% CETA).

° Small differences include:

- minorities (45% JTPA vs. 49% CETA)

- dropouts (27% JTPA vs. 31% CETA).

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<sup>1</sup> Comparison of PY 1984 (JTPA) data with the first 9-months of FY 1979 (CETA) data.

Westat-SDA Transition Year Report (5)

## ° Eligibility Criteria and Participant Characteristics (JTPA):

- Any U.S. citizen 14 years or older and "economically disadvantaged" (receiving public assistance and/or income below the poverty level).
- Forty percent of JTPA eligibles would not have been eligible under CETA. Many JTPA eligibles would not apply to the program because of holding full time jobs, not being in the labor force, having family responsibilities, or being too sick or elderly. (Fifty percent of eligibles were outside the labor force, and twelve percent were working full time).
- During the nine month transition year 585,700 participants enrolled in Title IIA programs. At an annualized level, this would project to approximately 2 percent of the eligible population.
- Although the appropriation for JTPA is less than the funding for CETA in its last years, JTPA's average cost per participant is substantially lower than that of CETA. Therefore, proportionately JTPA serves about the same number of participants as CETA did.

° Characteristics of Eligibles and JTPA Participants:

- Youths (fourteen to twenty-one years old) are overrepresented (39.8 percent) compared to the eligible population (19.4 percent). Because of this sizable difference, many SDAs found it difficult to satisfy the youth expenditure requirement.
- Relative to their proportion of the eligible population, males are somewhat overrepresented among participants. This is because of higher labor force participation compared to females.
- Older individuals are underrepresented because many have dropped out of the labor force. Blacks are overrepresented, and Whites underrepresented (Blacks tend to be more disadvantaged than Whites). Other minority groups are represented in JTPA Title IIA roughly in proportion to their representation in the eligible population.
- Participants are more disadvantaged than eligibles. Unemployment is the most important predictor of JTPA participation. It is possible that targeting also contributed to this finding.

- Overall public assistance recipients are represented in proportion to their eligibility.
- Those with better education are overrepresented among participants. High school dropouts were underrepresented among participants.
- ° CETA and JTPA Participant Characteristics:
  - The distribution of adult JTPA Title IIA participants by various characteristics is comparable to the distribution of CETA Title I and IIB participants. Women are somewhat less likely to be enrolled in JTPA than under CETA, and older people and whites are slightly more likely to participate in JTPA than CETA.
  - The proportion of participants who were unemployed for fourteen weeks or more is much higher under JTPA than it was under CETA. Also, the proportion of participants with no prior unemployment was substantially higher under CETA.
  - The proportion of public assistance recipients was somewhat lower, and the proportion of high school graduates somewhat higher under JTPA compared to CETA.
  - The data do not support any simplistic notion of "creaming" by JTPA. People with serious labor market difficulties, as evidenced by lengthy unemployment spells, dominate the JTPA participant group.
  - Youth participants in JTPA are generally consistent with the previous findings. Two exceptions were Hispanic youths and youth AFDC recipients, which were underrepresented.

MDC Report: Phase II (7)

- ° Eighty percent of the field sites were not attempting to define "most in need".
- ° Fully half of the target sites spent less than 60 percent of their youth allocation. Average duration of youths participation was 12.2 weeks, 10 weeks less than what had been planned. This did not satisfy the need for longer term significant training.
- ° Twenty-six percent of field site youths were school dropouts. School dropouts were discouraged by (1) the lack of stipends (2) high literacy requirements. During 1981 CETA dropouts constituted 42 percent of enrollees in comparable training programs.

2. **"CREAMING"**

**Westat-State Report (1)**

◦ Performance standards might play an important role in the mix of program participants. JTPA contains only limited targeting provisions. Under these circumstances, especially if associated with meaningful rewards and sanctions, standards may influence the selection among eligible applicants.

**Westat-State Implementation Report (2)**

◦ Several factors are contributing to the use of more short-term training and an inability to enroll the most disadvantaged, including:

- reduced funding;
- developing private sector training;
- meeting performance standards;
- keeping per-participant cost to a minimum; and
- limiting stipend payments.

◦ Also, performance-based contracting has increased because performance standards stress placement outcomes. This may discourage services to hard-to-serve groups.

◦ Only one-fourth of the SDA's currently use 6% set-asides monies; they are used primarily for programs to serve hard-to-serve groups and, to some extent, for technical assistance.

◦ Of the 22 SDA plans reviewed:

- 6 SDA's made plans to serve both the job ready and most disadvantaged;
- 5 SDA's felt they would be able to apply specific targets on the "most needy" despite the presence of discouraging factors; and
- 11 SDA's did not establish specific program objectives to serve the "most needy"; however, only 4 of these SDA's indicated only the "job ready" could be served under JTPA.

MDC Implementation Report (3)

- ° Eligible individuals range from 25 to 35 million; "most-in-need" portion is estimated to range from 2 to 11 million.
- ° PIC's see JTPA primarily as a vehicle to connect economically disadvantaged individuals with labor market needs in the most efficient manner:
  - 63% of PIC's stated that JTPA's implementation should be based on labor market needs;
  - 16% of the PIC's indicated that JTPA should focus on eligibles "most-in-need"; and
  - about one-fifth of the PIC's had no strong policy position regarding JTPA's basic purpose -- labor market needs vs. most-in-need.
- ° Half the PIC's surveyed indicated they had stressed shorter-term training programs to increase number of eligibles served and meet labor market needs more quickly.
- ° Also, many PIC members regarded JTPA's modest size (funds to serve less than 4% of eligible population) as an opportunity to focus on supplying quality personnel to the private sector, and thus building a solid JTPA/labor market relationship.
- ° Most local government staff express concern that the Act's emphasis on service to those "most-in-need" would be hard to follow due to:
  - performance standards;
  - limited support funds;
  - limitations on work experience; and
  - PIC positions on this objective.
- ° Several local government officials also said that low level funding had made them wary of trying to serve those most-in-need because such persons have multiple needs, and thus require more resources.
- ° Several local government officials said that it is important to serve as many people as possible to secure interests of both eligibles and employers; otherwise, JTPA may be seen as inconsequential.

- Only 2 of 15 States were considering establishing variations from DOL's performance standards (adjustments could encourage service to most-in-need).
- Finally, most SDA training plans had language on targeting service to "most-in-need"; however, these plans were prepared by local government officials and not PIC's. PIC's will get more involved in development of plans in the future.

**Westat-SDA Final Report (6)**

- In some programs, the law or administrative regulations have prescribed rules for outreach, intake, screening, and selection. As these rules become more detailed, program operators have less discretion in choosing participants. Setting such rules has been defended on the ground that it prevents undesirable practices such as "creaming" -- that is, choosing those who already have work skills rather than those needing more help.
- Extensive restrictions on participant eligibility, however, may limit local program operators' ability to tailor programs to specific community needs, or to serve people who need services but do not meet certain eligibility requirements.

**MDC Report: Phase II (7)**

- The "most-in-need" mandate was undercut by the Act's restriction on support services, stipends, and work experiences; its strong focus on performance standards, and its major role for the private sector.
- Providers were able to use ample discretion since the ratio of JTPA eligibles to available slots ranged from 7 to 1 to 100 to 1; and averaged 27 to 1 over the sample sites.

### 3. TARGETING REQUIREMENTS

#### Westat-State Report (1)

##### a. General

- 16 of the 20 States in sample sought to influence targeting in one or more of the following ways:
  - establishing priority groups for service;
  - requiring proportional service to "significant segments" of SDA eligible populations;
  - adjusting the 40% expenditure requirement for youth; and
  - requiring that up to 10% of SDA funds be expended for services to nondisadvantaged participants.
- 3 States informed the SDA's that services should be available to specific target groups;
  - however, no SDA standards of proportional representation in the participant population were required.
- 5 State Councils took more concerted action by requiring that services be provided to significant segments of the eligible population based on their representation in the SDA's estimated population, usually with a permissible range of variation -- e.g., 90% of proportional representation.
  - Typically, however, target populations have not been identified at the State level.

##### b. Youth

- Ten States adjusted the SDA's 40% spending target for youth, usually downward by:
  - lowering the 40% requirement on a Statewide basis;
  - treating youth like any other significant segment; or
  - adjusting SDA expenditure requirements to result in a statewide rate of 40%.
- Several PICs wishing to emphasize OJT saw the 40% youth expenditure goals in direct conflict with this service priority.
- State level reports suggest that the youth goal will be source of serious stress between the States and SDAs, especially if audit and compliance reviews focus on the 40% requirement.

Westat-SDA Implementation Report (2)a. General

- Targeting beyond legislatively mandated groups occurred as follows:
  - half the SDAs did not add to targeting;
  - one-fourth of the SDAs added a list of significant segments to be served in proportion to their representation in the population; and
  - one-fourth of the SDAs specified additional groups to receive more (or less) service.
- Targeting beyond that mandated by law was minimal.

b. Youth

- Enrolling youth is a major implementation problem for all SDA's experiencing enrollment difficulties:
  - since youth enrollments are less costly on average than adult enrollments, it is estimated that the 40% spending requirement translates into a 50% enrollment requirement;
  - in FY 1981, youth comprised 42% of CETA enrollment (excluding summer youth and youth demonstration programs), so that with the limitation on work experience, the capacity of SDA's to serve youth has decreased -- 45% of CETA youth participated in work experience;
  - lack of stipends affects SDA ability to enroll youth, particularly out-of school youth.
- Most States varied the percentage requirement for youth to reflect the proportion of the population represented by the group.

c. Welfare

- Lack of stipends was also mentioned as adversely affecting AFDC enrollment and in retaining these individuals in training programs:
  - one-third of the SDA's were not paying any form of stipend;
  - other SDA's were paying stipends of from \$2 to \$8 per day of training; and
  - SDA policy often excluded AFDC recipients and UI claimants from receiving stipends.

MDC Implementation Report (3)a. General

- ° 13 of 15 States adhered to Act's intention of leaving programmatic choices to SDA's.
- ° 2 States directed priority target groups beyond Act's requirements and required SDA's to set quantitative goals for general assistance recipients and minorities.
- ° 6 States established policy preferences without setting quantitative goals; groups most frequently mentioned were minorities and the disabled.
- ° Although a significant number of sites did not include target group projections, those that did project characteristics can be summarized as follows:
  - 16 sites project youth participation at 41.7%;
  - 14 sites project welfare recipient participation at 30.5%; and
  - 17 sites project high school dropout participation at 25.7%.
- ° Targeting requirements for youth, dropouts, and welfare recipients were not viewed uniformly as priorities by SDA's:
  - even where numerical goals were established, programming to ensure accomplishment of these goals was not always established.
- ° Two-thirds of the SDA's established local priorities in their training plans:
  - several set goals for AFDC recipients;
  - one-third of sites included minorities generally, with Hispanics mentioned specifically in 7 of 57 sites, and
  - one-third of sites mentioned handicapped as specific target group, though few planned specific programs for this group.

b. Youth

- ° SDA intentions re: the Act's 40% target were:
  - Two-fifths of the 57 sample SDAs had the 40% requirement modified:
    - . 10% had the target moved up to reflect proportion of disadvantaged youth in the population (usually to between 41% and 46%); and

- 30% requested that the target be lowered (usually to between 28% and 36%).
- Even after modifications, one-third of sample sites expected difficulty in meeting the youth expenditure requirement. Primary reasons cited were:
  - lack of stipends;
  - inadequate allowance for work experience; and
  - high performance standards.
- The remaining two-thirds of the sites did not anticipate substantial problems in meeting the youth requirements, and cited the high levels of youth involvement under CETA as the reason for their optimism.
- The primary difference between the "confident" and "concerned" sites was that the "confident" sites are aiming at more job ready, older youth and deemphasizing younger, high-risk youth.

c. Welfare

- 14 of the 25 sites established numerical goals for the enrollment of welfare recipients, and these sites estimated that one-third of their participants would be welfare recipients, primarily AFDC recipients. Reasons for this emphasis included:
  - a strong commitment to serve this group by coordinating with local welfare and WIN offices;
  - welfare offices provide support services and income; and
  - the economy's orientation to "service" jobs is hospitable to women.
- About half of the 57 sample sites expected to enroll proportionately more welfare recipients than they had under CETA in 1981:
  - 10% expected to enroll less; and
  - 40% expected to enroll about the same proportion, since these sites felt that welfare recipients were generally not good prospects for training programs.

d. Dropouts

- Two-thirds of the 25 sample sites listed dropouts as a target group and assigned a numerical goal. These 17 sites estimated that dropouts would be one-fourth of their participants. Almost one-third of the sites made no dropout projections.
- 11 of the 25 sites will fund specific programs to serve dropouts; however, there is concern by SDA officials over being able to attract these youth for the following reasons:
  - limitations on work experience;
  - entrance requirements for training programs; and
  - high performance standards which are viewed as obstacles to getting service deliverers to enroll dropout youth.
- Also, CBO's served these youth under CETA, but want to prove their capabilities under JTPA and are worried about their ability to do so if they focus on eligibles with the most serious obstacles to employment.
- Overall, local government and PIC officials are not sure that JTPA is the appropriate vehicle to serve dropouts.

Westat-SDA Transition Year Report (5)

- Targeting:
  - SDAs target more groups than do States partly because SDA officials are more accessible to various interest groups that lobby to include other groups. Target groups serviced by SDAs in addition to those specified by the Act included handicapped persons, high school dropouts, older workers, and minorities.
  - JTPA legislation mandates that 40 percent of Title IIA expenditures be on participants between the ages of sixteen and twenty one. Preliminary findings from the earlier round of the study indicated that for various reasons, meeting the expenditure requirement would be a problem for many SDAs.
  - About two thirds of the States sampled identified youths in general, or subcomponents of youths, as a statewide target group. The other third either did not specify youths or did not name any statewide target groups.

° With respect to performance measures, 73 percent of the States did not modify the Federal measures for youth. The remaining States only made slight modifications. About 80 percent of the States had problems meeting youth standards.

° The most troublesome youth standard was the positive termination rate. The main reason for this was the lack of established youth based competencies. Once these are put into place, no problem with achieving your performance standards is expected.

° Target groups among youths were high school seniors, school dropouts, and high school graduates, with school dropouts being identified 73 percent of the time.

° Two thirds of the sampled SDAs exercised their right to adjust youth requirements. The adjusted spending requirement in these SDAs ranged from a low of 26 percent to a high of 52 percent. About two-thirds of these were adjusted downwards, while one-third were adjusted upwards.

° Problems in meeting youth requirements included, some SDAs not taking them seriously, family incomes being too high for out-of-school youths living at home, no stipends, and in-school youths having little time.

° The existence of special youth programs was the main criteria whether SDAs were able to meet their youth expenditure quota or not.

° Some States argue that the 40 percent youth expenditure requirement should be changed to the 40 percent youth participation rate. Otherwise, the SDAs may design expensive programs for relatively few people to meet the 40 percent expenditure provisions.

#### Westat-SDA Final Report (6)

° Target Groups:

- Relative to eligibles, JTPA participants are more disadvantaged according to family income and labor market criteria.
- Whites are underrepresented among participants relative to eligibles, Blacks are overrepresented and other minorities are represented in Title IIA roughly in proportion to their representation in the eligible population.
- Youths (14 to 21 years old) comprise 19 percent of the eligible population but 40 percent of the participant population.

- Public assistance recipients are underrepresented in the participant population relative to the eligible population.
  - ° Because of the large eligible population and few restrictions on targeting (youth and AFDC recipients), State and SDA targeting and selection issues are particularly important in JTPA. In Phase III, one-fourth of the States did not add to the targeting in the law and 70 percent of the SDAs did not add to the targeting of the State.
  - ° On average, States targeted slightly over three groups for service; SDAs added slightly to this total. Most often targeted were older workers, the handicapped and veterans.
  - ° In program year 1984, a majority of States elected to establish specific groups of individuals as special target groups. The most frequently mentioned subcategory of youths was high-school dropouts. Among SDAs, the most frequently cited category was high school dropouts.
  - ° While most States and SDAs are making a point of serving disadvantaged youths, there is evidence that, at least in some areas, they are not being served in proportion to their incidence in the population. This is in part due to what many SDAs feel to be inherent (i.e., legislatively imposed) difficulties in serving large number of youths.
  - ° The proportion of SDAs that expect to successfully achieve their adjusted youth expenditure requirement has increased from Phase II. In Phase III, 73 percent of the SDAs sampled expect to make their youth expenditure requirement for the 1984 program year, while the comparable figure for Phase II in the transition year was 63 percent.
  - ° Of the SDAs that predict success in meeting their youth expenditure requirement, 55 percent attribute their expected success to the existence of a large special service mix for youth, particularly work experience and/or tryout employment. An additional 20 percent attributed their expected success to the establishment of special administrative procedures for handling the youth expenditure requirement.
  - ° In those SDAs that predicted that they would not make their youth expenditure requirement, almost all had a small special service mix for youths, again either work experience and/or tryout employment.
  - ° Six of the sample SDAs have no problem for hard-to-serve groups and another four do not devote any of their 78 percent formula funds to them. Where programs for the hard-to-serve groups are available, they are most often (21 of 38 SDAs) for the handicapped. Only four SDAs offer training for older workers with other than 3 percent set-aside funds.

MDC Report: Phase II (7)

- ° Three-fourths of the 57 SDAs reported little or no interest in targeting policies.
- ° Welfare recipients were well received in JTPA because of a desire to reduce welfare rolls, and this was complemented by the fact that welfare recipients had access to support services and financial assistance. The field study reported 34.4 percent of all enrollees were welfare recipients during the 9 month period, higher than their goal of 30.7 percent.
- ° Initial results of long term success with welfare recipients was not encouraging (using short term training). "The majority of our AFDC recipients go on and off the rolls -- a job for a few months, then some welfare, then repeat the cycle".
- ° Thus the statute's targeting requirements regarding most in need, youth, welfare recipients and dropouts were, with the exception of welfare recipients, not a focus of program policies and practices and therefore not an outstanding area of program performance.
- ° Though a majority of the States were concerned about SDA performance regarding creaming, youth, and dropout enrollment, the States were not disposed as of June 1984 to fashion any strong measures to improve performance on these issues. Like the SDAs, they would for the present rely on increased monitoring and other management tools to improve those aspects of performance.
- ° They (the SDAs) were very pleased with the placement and cost results, and were hesitant to initiate policy directions that might impact negatively on these results.

CSR Report (26)

- ° By early 1985, half of the 50 States had introduced special targeting for Title III programs. The most common targeting emphasis has been on specific industries (9 states), followed by UI recipients (6), specific firms (5), and specific occupations (3).

1985 NAB Survey (26)

- ° Two-fifths of SDAs have difficulty meeting youth expenditure requirements. Lack of eligible youth, lack of stipends, and low youth program costs were offered as the primary reasons for the difficulty.

#### 4. USE OF "10% WINDOW"

##### Westat-State Report (1)

• Discussion of the "10% window" at the State level is mainly concerned with potential disallowed costs relating to eligibility -- using these funds as insurance against audit exceptions seems likely.

• Of the 20 States reviewed:

- one State declared that each service operator should have its own 10% ceiling;
- two States advised the SDA's that the reason for admitting each non-disadvantaged participant should be specified on a case-by-case basis; and
- one State admonished SDA's not to spend 10% funds too fast, in case they can't recruit enough disadvantaged to "match".

• The primary use of 10% funds is a safeguard against disallowed costs resulting from enrollment of ineligible participants. Only 4 of the 22 SDA's were using the "10% window" to provide services to particular groups, primarily the handicapped.

##### MDC Implementation Report (3)

• Only 5% of the sites intended to use the "10% window" for persons with income above the Act's eligibility maximum, and a vast majority saw the "window" provision as a protection against audit exceptions:

- 93% of sites indicated no intention to use these funds for targeting, but rather for audit exceptions; and consequently viewed these funds as a safeguard and not a targeting tool.

##### Westat-SDA Transition Year Report (5)

• Virtually all participants are economically disadvantaged, as the earlier characteristics data indicated. Little use is made of the 10 percent "window" for serving the nondisadvantaged population. The only major exceptions involve serving participants with other barriers to employment that largely overlap the economically disadvantaged population, such as the handicapped or displaced homemakers.

B. SERVICES1. OUTREACH AND INTAKEWestat-SDA Transition Year Report (5)

° Only one-fourth of the sample SDAs indicated they were doing outreach. SDAs are generally reluctant to mount extensive outreach efforts because they cost money without producing placements.

° Intake was generally done on a walk-in-basis. In slightly over half of the SDAs, intake was done by the administrative staff. Nine others in the sample had intake done by the Employment Service. Only five SDAs left intake to each service provider, a fairly common practice under CETA. The central intake appeared related to concern over liability for admitting ineligibles. Central intake also prevented program operators from "creaming", and assuring that target groups were being served.

° In typical OJT programs, several participants are referred to the employer, who selects the person to be trained. Any program operator who wants additional on-the-job training contracts soon learns the kind of characteristics required by the employer and is likely to avoid referring people with no chance of acceptance.

° Applicants generally go through a rigorous assessment and counseling process partially to find out who is seriously interested in the program. The large pool of eligibles allowed screening to be done in this way, and also by the criteria that some individuals were functionally illiterate, and needed remedial education.

° Half of the SDAs concentrated on individuals who were in need of short term training to become employable, six sample SDAs appeared to select the most job ready. In the other eight SDAs, the Associates reported a concentrated effort to serve the most needy in the eligible population. Performance standards, cost effectiveness, and "survival of the fittest" in high unemployment areas were reasons given for avoiding the most needy.

° Possible solutions to serving the most needy were specifying a certain percentage of participants to be from the "most in need". This was referred to as "dual programming."

Westat-SDA Final Report (6)

- By late in program year 1984, three-fourths of the SDAs in the sample were using central intake for their program. The remaining one-fourth allowed direct intake by the service providers.

- In Phase II, only one-fourth of the SDAs were doing any outreach. However, by Phase III, this had increased to three-fourths. Often, this outreach was done to increase the participation of youth in the program.

- Centralized intake can serve to either positively or negatively affect selection of participants:

- It is one way that an SDA can control the eligibility verification and therefore, its potential liability for disallowed costs.
- It can serve to dissuade potential participants from coming in if, for example, intake and eligibility verification take place only on the tenth floor of a bank building in the downtown area of a large city.
- Central intake can provide one way that the SDA can control the targeting of participants or meet "significant segments" objectives when the service providers are operating under performance-based contracts because it gives control to the SDA over who is referred to the service provider.

- If a slot is available in the agreed upon training program, the individual is referred to the training agency as a potential participant. If accepted by the training agency, the individual is scheduled for training and enrolled as a participant. If a slot is not currently available, the person is given a holding status until an opening occurs.

- At various points in this process, informal assessments might be made as to the "motivation" of the applicant and the likelihood that he/she can and will complete the training.

MDC Report: Phase II (7)

- Critical factors in implementing training programs and services:

- Eighty percent of the sample SDAs said the potential for high placement rates and low costs were the critical factors. The results of the first nine months of operation reflected these priorities: (1) Placement

Rates-70 percent versus 58 percent standard for adults, and 64 percent for youth versus the federal standard of 41 percent. (2) Costs-For adults cost per placement was \$3,324, versus the federal standard of \$5,900; for youth, cost per positive termination was \$3,145, compared to the federal standard of \$4,500.

- Another factor was extensive screening plus a brief duration of JTPA training -- 11 weeks for adults and 12.2 for youth -- coupled with the high placement rates, did cause concern that many participants would have received jobs without the benefit of JTPA.

- ° "The Act's requirement that 40 percent of an SDAs JTPA funds be spent on youth was also not met; in many SAs' youth spending fell short of the legislative mandate. Less than a third of the sample sites spent even 90 percent of their youth allocation."

- ° By the end of the Transition Year (June 30, 1984), 21 of the 25 SDAs in the sample had expended more than 70% of their JTPA funds on training (on average 76 percent for training).

- ° Emphasis on low cost per placement caused most enrollees to be allowed one service for training rather than a multi-component set-up. Also training was of a shorter duration than that of preceding CETA activities.

- ° Percentagewise "almost without exception" SDAs met their targets in servicing "substantial segments" of the eligible population (women, minorities, veterans, handicapped). One official said "It's not hard to meet substantial segment goals so long as you can select the best people from each group". In a program the size of JTPA, you can do that.

2. JTPA VS. CETA SERVICE MIX

Westat-State Report (1)

- prohibition of PSE and State level emphasis on economic development in some States have led to an expanded number of OJT contracts with small businesses.

Westat-SDA Implementation Report (2)

- Evidence suggests that increased emphasis on OJT placements is leading to use of short-term low-wage OJT contracts.
- Service mix largely reflects philosophy of the Act:
  - there has been a shift from developmental strategies under CETA (i.e., work experience) to emphasizing creation of private sector training slots;
  - 13 of the 22 SDA's have programs that seek to maximize private sector placement while minimizing cost per placement; consequently, there is a heavy emphasis on short-term OJT and classroom training;
  - 5 SDA's have more individualized service strategies and serve a wider range of program eligibles; they also emphasize OJT and classroom training, but the programming is more diverse; and
  - 4 SDA's rely on CETA-type employment strategies (subject to legislative limits) owing to strong former CETA subcontractors and limited experience of new PIC's.
- Half the SDA's indicated they planned no change in their service mix for PY 84; most of these SDA's were CETA prime sponsors, while the remaining SDA's indicated they would emphasize more OJT in PY 84, with some indicating increased use of shorter term institutional training. Shift to short-term training is due in part to lack of stipends and a belief that this will reduce the cost per placement.
- 5 of the SDA's had a "tryout" employment program, and several SDA's also were operating exemplary youth programs.
- While classroom training was heavily emphasized under CETA, the nature of the service provided, compared to JTPA, was quite different:
  - for CETA, training included occupational instruction, basic education, and remedial instruction for eligibles with limited potential for employment;

- for JTPA, 21 of the 22 SDA's are emphasizing OJT contracts. Training is more employer-specific.
- Typically, the employer specifies minimum requirements for education as it develops, and selects successful terminees of the program (employers often require a high school education or equivalent).

#### MDC Implementation Report (3)

- ° Observation of training activities in operation at most sites is mostly an extension of 1983 CETA programs and includes classroom training, occasional work experience site, job readiness classes, and direct placement operations.
- ° 75% of the sites expect no major changes in these activities through June 30, 1984.
- ° Classroom training, and employment development services -- low cost, short duration programs such as job clubs and direct placement -- are projected to be the largest categories of JTPA programming:
  - about four-fifths of all JTPA enrollees are expected to enroll in these activities; and
  - about one-fifth are expected to enroll in OJT.
- ° Training will be of shorter duration ranging from two weeks to 6 months, with 14 sites expecting training and OJT activities to average 3 months.
- ° PIC's will become more involved in designing service strategies in the future.

#### JTLS<sup>2</sup>

- ° The proportion of participants receiving either OJT or classroom training under JTPA for PY 1984 was 61% compared to 34% under CETA:
  - OJT (23% JTPA versus 7% CETA); and
  - classroom training (38% JTPA versus 27% CETA).

#### Westat-SDA Transition Year Report (5)

- ° Ten of the 22 SDAs indicated no reduced CBO participation in the transition from CETA to JTPA, while eight SDAs did. The other 4 indicated no role for CBOs under either program.

<sup>2</sup> Comparison of PY 1984 (JTPA) data with the first 9 months of FY 79 (CETA) data.

- In one jurisdiction "those criteria requiring that no subcontractor could be 100 percent JTPA supported and that each subcontractor must be a direct service provider eliminated most of the old CETA-CBOs."
- Over 80 percent of those categorized as in classroom training were in some kind of skills training as opposed to basic education.
- Only 7 percent of enrollees entered a work experience program initially. This finding reflected the restriction on subsidized employment under JTPA.
- The breakdown of initial program assignments for adults and for youths was as follows:

<u>Initial Program Assignment</u>	<u>Adults</u>		<u>Youth</u>	
	<u>New Enrollees Number</u>	<u>Percent</u>	<u>New Enrollees Number</u>	<u>Percent</u>
Classroom training	146,800	41.3	87,400	37.9
On-the-job training	92,300	26.0	38,000	16.5
Job search assistance	75,000	21.1	48,100	20.9
Work experience	10,300	2.9	30,100	13.1
Other	30,900	8.7	26,900	11.7
TOTAL	355,300	100.0	230,500	100.1

◦ None of the average wages of participants who entered employment equals or exceeds the performance standard. In past training programs, on-the-job training terminees have typically earned more than classroom training terminees. Under JTPA, however, terminees from basic skills training who entered employment had an average wage of \$4.70, higher than for both on-the-job training terminees and terminees from other classroom training.

◦ An estimated 22 percent of enrollees participated in on-the-job training under JTPA in the transition year. This compared to an average of 17 percent participation under CETA. (Of this percentage in CETA, 35 to 45 percent were public service employees, not allowable under JTPA.)

◦ Reasons for more emphasis on OJT were:

- Wages paid to employed participants provide "direct and immediate benefit to the client" and avoid the need for substitute payments.
- Emphasis on outcomes implies high placement rates; and
- This induces a close relationship between the SDAs and the private sector.

◦ In many SDAs a greater on-the-job training emphasis was limited only because enough employers could not be found who would negotiate contracts with the SDAs.

◦ Most of the OJT training contracts were with small, local businesses. The estimated percentage distribution of the number of hours of training contracted for in the Title IIA contracts is as follows:

<u>Number of Weeks</u>	<u>Percentage of Contracted Jobs</u>
Less than 6	13
6-10	19
11-14	25
14-20	23
21-26	15
More than 26	<u>5</u>
TOTAL	100

◦ The average length of training was 611 hours. The actual median length was about 12 weeks. This is about two to three weeks shorter than the median length of stay under CETA.

#### Westat-SDA Final Report (6)

◦ For the sample as a whole, classroom skill training is the most frequent activity -- 32 percent of all enrollments. On-the-job training is second, accounting for 21 percent of enrollments. Job search accounts for a minimum of 13 percent of enrollments; although in several SDAs, this could not be disaggregated from the "other category". One-third of enrollment is were in basic education.

◦ Among the SDAs in the sample, OJT ranged from 3 to 64 percent of enrollments. A sample of OJT contracts drawn in Phase II indicated that OJT is, on average, about 12 weeks long, about three weeks shorter than in CETA in FY80. Further, over half the contracts had wage levels below the performance standard wage for the SDA.

◦ Thus, with a 78 percent placement rate, OJT is contributing to achievement of the placement rate standard, but not the wage standard.

◦ Classroom training accounts for from 2 to 76 percent of enrollments across the SDAs, with 30 percent being the median. The type of training varied widely across SDAs, however, one-fourth of the SDAs offered the following: clerical, word processing, nurse's aide, food service, and auto mechanics.

◦ The duration of training ranges from two weeks to a maximum of two years of college. JTPA-sponsored training is usually from 30 days to 6 months. Most skilled and longer-term training is slot purchase or tuition payment in vocational technical schools and community colleges.

◦ Basic education is not offered by 13 SDAs and among those offering it, basic education generally accounts for less than 20 percent of enrollments. One-fourth of the SDAs do not offer work experience and, where offered, does not exceed 22 percent of enrollments. Where it is used it is often reserved for youth.

◦ Short-term job search or job clubs is the third most frequent activity in JTPA. One-fourth of the SDAs either do not offer it as a separate activity (7) or do not differentiate it from other pre-employment activities (3). Where it is offered, it varies from less than 10 up to 37 percent of enrollments.

#### MDC Report: Phase II (7)

◦ Emphasis on low-cost per placement caused most enrollees to be allowed one service for training rather than a multi-component set-up. Also training was of a shorter duration than that of preceding CETA activities.

◦ On average, the sample sites put 71 percent of their training budget into classroom training and on-the-job training.

◦ Private business influence caused a large emphasis towards on-the-job training. This was particularly attractive to small and medium sized businesses, because of wage subsidies.

◦ Support services were generally kept to a minimum. Eighty four percent of the field study SDAs expended less support services than the legislation authorized. (Authorization was approximately 15 percent of total JTPA funds).

◦ Education programs were generally funded at well below the average placement cost allowed by JTPA. These programs were primarily for high school seniors not intending to go to college.

◦ The study sites put together JTPA training programs which focused heavily on two activities: classroom training and on-the-job training. The sample sites on average put 71 percent of their training budget into those two activities and expected about 77 percent of all adult participants and 60 percent of all youth participants to enroll in one of these two types of activities.

### 3. 70/30 SPLIT

#### Westat-SDA Implementation Report (2)

- ° 2 SDA's out of 22 reviewed requested a waiver to the 30% administrative/supportive service expenditure limitation; only one request was granted.

#### MDC Implementation Report (3)

- ° 58% of PIC's in field survey felt that the legislative allowance of 30% for administration and support was too much. Several said that these payments encourage less-motivated to apply.

- ° 16% of PIC's felt the Act's support services resources were too low. Most will assess early operational experience before taking action to increase support service funds.

- ° 26% of the PIC's had no policy position on the support service issue.

#### Other (JTPA Output Reports) 3

- ° For the first quarter of TY 84, training accounted for 71.7% of the funds expended, support services 8.3%, and administration 20%.

- 31 States are spending 70% or more on training;
- 12 States are spending between 65-69%;
- 6 States are spending between 60-64%; and
- 2 States are spending below 60%.

#### Westat-SDA Transition Year Report (5)

- ° Section 108 of JTPA states that a maximum of 30 percent of an SDA's Title IIA allocation can be used for purposes other than training. A maximum of 15 percent can be used for administration costs.

- ° Half of the SDAs studied reported problems with the overall 30 percent limit on spending for administrative costs plus support-payment costs. Among SDAs who spent less than 30 percent, tactics used were:

- The paying of few or no stipends.
- Charging subcontractors administrative costs as "training."
- Concentrating heavily on on-the-job training.

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3 Information obtained from the JTPA Annual Status Report (JASR) for the Transition Year 1984.

- ° A case in point of the problem of the 30 percent limit and the 15 percent supportive services limitation:

"There is presently no active lobbyist on the PIC for displaced homemakers -- I think the 15 percent limit on supportive services gives the staff and PIC a convenient excuse to exercise its bias in favor of training and away from child care and other supportive services."

° Two thirds of the SDAs payed stipends or need-based support (transportation, child care, and meal expenses), in a winter 1984 observation. These payments were substantially lower than under CETA. Officials felt that the limits weed out program eligibles who are more interested in collecting a stipend than learning a skill.

° Thirteen of twenty-seven sampled SDAs felt that without stipends it was difficult to enroll disadvantaged persons in long-term training programs, and emphasized support payments.

° Some SDAs linked the amount of a stipend payment to the individual's attendance. There was also an effort to shorten training.

#### MDC Report: Phase II (7)

° Ten of the 25 field sites initially decided to allocate more than the minimum of 70 percent for training activities, and less than the minimum allowed for support services. Thus the initial structure of JTPA activities was weighted even more towards training, and less toward support services, than the legislation required.

° By June 30, 1984 -- the end of the first operating period -- 21 of the 25 SDAs in the study sample had actually expended more than 70 percent of their JTPA funds on training, and less than 15 percent on support services. The sample sites on average spent 76 percent on training and 8 percent on support services during the initial operating period.

#### 4. USE OF NEEDS BASED AND SUPPORT PAYMENTS

##### Westat-SDA Implementation Report (2)

° One-third of the SDA's do not pay a stipend to any of their participants, although some of these SDA's do provide either case by case payment or reimbursement of transportation and child care expenses:

- in two-thirds of the SDA's some form of allowance is paid to those participants who are in training (also job search in a few cases); and
- participants in work experience and OJT receive no stipends or allowances, and payments average \$6 per day.

° Some SDA's don't pay allowances or stipends to AFDC recipients or UI claimants:

- such income would be used to calculate the AFDC benefit and, therefore taxed at 100 percent; and
- such income could preclude receipt of UI benefits and; consequently it is difficult to attract this part of the eligible population to the program and retain them, particularly in longer-term training.

° Other SDA's resubmit payment of stipends only to participants in long-term training or only if an individual has to relocate to receive the training.

° 7 of 22 SDA's use non-JTPA sources for supportive services, including:

- referral to other agencies;
- use of carryover funds;
- use of CBO services; and
- use of private sector contributions.

##### MDC Implementation Report (3)

° One PIC was involved in the discussion and drafting of a detailed policy regarding eligibility for needs-based payments.

° Half the sites were enthusiastic about serving welfare recipients because of the potential for utilizing the support services of the WIN and welfare systems.

° 3 of the 57 sample PIC's were in process of requesting an increase in supportive service and needs-based payment costs:

- most PIC's felt these payments should not be increased;
- 30% of the sites had support services and needs-based payments below the maximum allowed;
- 3 sites eliminated supportive services entirely; and
- in almost half the sites, no needs-based payments were to be allowed.

° Other sites established strict rules for use of supportive services and needs-based payments:

- in 1 site participants must be in program for 4 weeks to be eligible for a needs-based payment; and
- another site established a contingency fund for special needs, subject to a case-by-case review.

° Most sites were planning to utilize the full amount of support services allowed by the Act:

- government officials saw the amount as inadequate, and
- PIC officials saw it as sufficient.

° SDA coordination efforts are most active with local WIN and welfare offices; the income and support services available through these offices make AFDC recipients a good source of participants.

#### Westat-SDA Transition Year Report (5)

° Section 108 of JTPA states that a maximum of 30 percent of an SDA's Title IIA allocation can be used for purposes other than training. Further, no more than 15 percent of the allocation can be used to cover administrative costs. If the entire 15 percent is used for administration, SDAs can use the remaining 15 percent to pay stipends or provide need-based support services, or both.

° In the winter 1984 observation of JTPA implementation by SDAs, Associates found that only two of the sample SDAs applied for waivers of the limit. And, while two-thirds of the SDAs in the sample paid some form of stipend or need-based support, the payments were substantially lower than those under the CETA program.

° Two clear groups of SDAs were found. In almost three-quarters of the SDAs in the sample, officials feel the limits effectively weed out program eligibles who are more interested in collecting a stipend than learning a skill. Most of these SDAs pay no stipends and provide need-based payments only to a limited number of participants.

- In the remaining SDAs, the support limits are thought to be unnecessarily restrictive. Some officials indicate that the limits have hurt their ability to enroll youths and the "more needy" adults, and forced an abandonment of long-term training programs.

- Officials in some SDAs insist that the limits on support make it harder for them to enroll disadvantaged persons in long-term training programs. In addition to granting need-based payments or stipends to some participants, these SDAs have tried to offset these problems by reducing support payments and providing shorter-term training programs.

#### Westat-SDA Final Report (6)

- Although they vary substantially in detail from one Service Delivery Area to another, guidelines for the provision of need-based payments and support services are, in general, quite similar across the SDAs in the sample for this study.

- In general, the guidelines call for the payment of from 10 to 20 cents per mile for transportation to training, or a similar flat amount such as \$10 a week to trainees who travel more than 100 miles a week to training.

- Child care is either supplied by the SDA or the training contractor, or child care expenses are reimbursed as a need-based payment by the SDA. In other cases, a flat amount, such as \$30 per week, is paid for child care expenses. Additional payments are made for more than one child in child care.

- Payments are made to individuals in training of so much per hour or day (e.g. \$1.50 per hour or \$6 per day to individuals in training for six or more hours per day). In other cases, a weekly payment is made that amounts to \$5 or \$6 per day for those in training.

- Some SDAs make additional payments to individuals in training for lunch, such as \$1.50 per day for those in training for six or more hours per day. In addition, one time payments might be made for medical examinations required for employment, uniform purchases, eyeglasses, etc., although total amounts for these purposes are reportedly small.

- Procedures for payments most often call for payment by the SDA. However, in some SDAs, the payments are made by the training contractors according to a policy approved by the PIC and draw down funds set aside for this purpose by the administrative entity.

° The payments described above are generally restricted to individuals in training or basic education. Individuals in "wage-based" training activities such as OJT or work experience, tryout employment, etc., are not given payments for transportation, child care, or other needs. Similarly, individuals receiving unemployment insurance benefits or AFDC payments are also excluded from the receipt of support services or need-based payments.

#### MDC Report: Phase II (7)

° Most SDAs did not pay any substantial attention to the statute's broad mandate to serve those most in need of and able to benefit from its services. They felt that mandate was undercut by the Act's restrictions on support services, stipends, and work experience; its strong focus on standardized performance standards; and its major role for the private sector.

° The restricted funds set aside for support services led to a variety of mechanisms and rules on their use at the SDAs.

#### 1985 NAB Survey (26)

° More than 80 percent of SDAs provided cash payments for specific supportive services and 37.2 percent provide a regular allowance to help defray program participation costs. Almost three-quarter of the SDAs have financial or non-financial agreements with other organizations to provide supportive services to JTPA participants.

5. SERVICE PROVIDERS (JTPA vs. CETA)

Westat-State Report (1)

◦ The liability for disallowed costs encourages the use of ES in many States, particularly for intake and eligibility determination purposes.

Westat-SDA Implementation Report (2)

◦ Virtually all the SDA's, the reports of service subcontractors had been contractors under CETA; in half the SDA's they were identical.

◦ CETA subcontractors are often relied upon to deliver services due to the necessity of:

- starting a new program;
- building up enrollment levels; and
- spending available resources.

◦ Liability does not seem to be the determining factor in the participation of CBO's as training vendors under JTPA:

- where PIC's were anti-CBO, CBO participation was cut back;
- however, in most instances, PIC's still contract with established CBO training contractors.

◦ Use of CBO's appears generally to be declining.

◦ Of the 22 sample SDA's:

- in 2 SDA's, ES administers the program;
- in 4 SDA's, ES is on the PIC but provides no services;
- in 8 SDA's, ES provides services under a non-financial agreement with the SDA; and
- in 8 SDA's ES has both financial and non-financial agreements with the SDA to provide services.

◦ ES relations with PIC's varies according to:

- availability of subcontractors in areas;
- state organization; and
- past history of relationships.

° Most frequently provided services by ES are intake and eligibility verification. Other services include placement and development of OJT contracts.

° Performance standards stress on placements has led to increase in performance-based contracting and appears to favor use of private sector service providers.

**MDC Implementation Report (3)**

° Many States have established written coordination agreements between State agencies, though these agreements were seldom specific.

° Review of State-level CBO role revealed that:

- involvement of local institutions in JTPA indicated a movement away from the use of non-profit CBO's, and toward the use of local colleges and small businesses (classroom training at local colleges was increasing; and employment-based training centers were increasing).
- in large rural areas, there were often no alternatives for contractors beyond local government, an occasional community-based organization, and some small businesses.
- there is a clear downward direction in formal CBO policymaking involvement under JTPA. CBO representation in State and local policy deliberations have declined at 40% of the study sites and no site reported an increase in CBO representation.

° In two-thirds of the sites, CBO's were continuing to act as service providers and were receiving the same relative levels of funding they had received for the past several years under CETA.

° In one-third of the sites, CBO's had taken a larger than proportional reduction, in part because:

- local governments had centralized outreach to accommodate administrative costs; and
- the substitution of other contractors to carry out technical training and OJT (usually community colleges, vocational training institutes, private employers)

° Field study interviews indicate CBO role as service providers will decrease further; since

- several SDA representatives said it is unlikely that CBO's can provide training to meet labor market needs as well as businesses themselves; more business involvement will likely reduce the CBO role.

° Several SDA's said that CBO's will be called on if there is not a sufficient flow of participants, particularly youth; otherwise they would be judged by their performance in training participants for jobs.

#### Westat-SDA Final Report (6)

° The enrollment distributions differ significantly from that recorded late in the CETA program. In addition to the findings of Phase II that OJT is more prevalent under JTPA than CETA, this data shows less reliance on classroom training.

- Somewhere between 45 and 60 percent of CETA participants were in CT compared to 41 to 42 percent of JTPA enrollments.
- Fewer JTPA enrollments are in work experience now that this activity is limited (8 to 13 percent compared to 19 percent of CETA participants).
- More enrollments are in job search, between 13 and 20 percent of JTPA enrollments, compared to 8 percent of CETA participants.

#### MDC Report: Phase II (7)

- ° Major service providers:
  - Private Training Organizations - A major deliverer at 39 percent of the SDAs. Mostly vocational classroom training. Some organizations were guilty of "overly intense" screening, causing shortfalls in overall enrollments.
  - The Employment Service - A major service deliverer at 34 percent of the sample sites. There was a clear indication though for more JTPA/ES coordination.
  - Community Colleges - Almost a third of the sites substituted Community Colleges, which could often provide similar training at a lower cost.
  - Community Based Organizations (CBOs) - Thirty eight percent of sample SDAs made extensive use of CBOs. The degree of targeting the more disadvantaged will determine the increase or decrease of CBOs in the future.

#### 1985 NAB Survey (26)

° Almost half of PIC chairs' companies train JTPA participants. The primary reason for this involvement, cited by more than half of those providing training, was social commitment rather than a lack of adequately trained workers from other sources. Among the 51 percent of PIC chairs whose companies have not and do not plan on providing training, one-third said their lack of involvement was due to their lack of hiring. Only two of the 322 PIC chairs surveyed attributed their companies' lack of involvement in training to doubts about the abilities of JTPA trainees.

° Half of PIC chairs' companies hire JTPA graduates. Almost 52 percent of the PIC chairs said their firms had hired job training graduates. Those PIC chairs whose firms employed JTPA graduates had hired an average of 14 over the last year. Even more significant is the finding that the small firms represented by PIC chairs rely heavily on the JTPA system for their new hires. Nearly 20 percent of the firms that had hired JTPA graduates used the job training system as a source for one-quarter of their total work force. In each of these cases, the employer had a work force of less than 100.

° PIC chairs are overwhelmingly satisfied with JTPA-trained employees. Almost 75 percent of the PIC chairs said that those hired from JTPA programs were as good or better employees than those recruited from other sources.

° Two-thirds of SDAs receive material assistance from the business community and a third of these say contributions are on the rise. NAB's survey indicates that the business community at large supports JTPA by contributing money or non-financial resources to two-thirds of the SDAs interviewed. About 16 percent of the SDA administrators reported receiving financial contributions that averaged \$17,000. Other types of donations included equipment, office or classroom space, and personnel.

° Twenty percent of PICs sponsor supplementary summer youth programs. One-fifth of SDA administrators reported having summer youth programs that supplement those funded under Title IIB of JTPA. About half of these receive direct financial contributions from the private sector.

° Impact of business involvement in JTPA held to be positive on program operations and outcomes. PIC chairs overwhelmingly believe that business involvement in JTPA has a positive impact on employer receptivity, program operations, and participant outcomes. Almost 90 percent of PIC chairs feel that employers are more willing to participate in JTPA as a result of business involvement.

° Nearly two-thirds of SDAs have procedures for recruiting and emphasizing services to the most in need and about two-thirds of these reported that the procedures had been established at the direction of the PIC.

## 6. USE OF PERFORMANCE-BASED CONTRACTING

### Westat-SDA Implementation Report (2)

- ° 14 of the 22 SDA's use performance-based contracting, some of them exclusively;
- 4 of the remaining 8 SDA's include performance expectations in their contracts with some sanctions associated with failure to achieve those expectations.
- ° Several SDA's, who currently do not use performance-based contracting, plan to do so in the future.
- ° Widespread use of performance-based contracts stems primarily from the stress that PIC's place on observed performance and incentives.
- ° Concern with performance-based contracting was also expressed by various SDA's, including:
  - its use discourages service to the most in need;
  - composition of the population served is not taken into account (unlike the Secretary's performance standards);
  - costs could be inflated by contractors to protect themselves against risk; and
  - contractors who cannot wait for reimbursement (e.g., CBO's) cannot participate, though use of periodic payments eliminates most of this problem.

### Westat-SDA Transition Year Report (5)

- ° Performance-based contracting, in which payment is tied to program outcomes, is being used in PY 84 in just over 60 percent of the SDAs studied. Some problems arise where a need for "up front" payments were necessary to a subcontractor who lacks the financial capacity to carry a program until the required standards have been met, and payments for them made.
- ° The 40 percent who did not use performance-based contracting stated these concerns:
  - They might provide services that may not be appropriated;
  - There could be a tendency to cover up attendance problems; and
  - Performance standards would be less workable in rural SDAs.

Westat-SDA Final Report (6)

- Performance-based contracting appears to be a key and widely used feature of JTPA. The use of such contracts substantially increased during PY 84, and is expected to rise even more during PY 85. Eighty-five percent of sample SDAs reported using performance-based contracting at the end of PY 84. More than half of the sample SDAs used performance-based contracting extensively.
- Performance-based contracting covers a variety of arrangements. The most radical version, in which payments are made only upon the achievement of all performance goals specified in the contract, almost disappeared by the end of PY 84.
- Virtually all PY 84 performance-based contracts incorporate payment "milestones" (payments made for enrollment, program completion, placement, and other specified outcomes).
- Performance expectations contained in the contracts vary by various characteristics (e.g., program activity, adult/youth program, target group).
- Performance-based contracts are directly related to two DOL measures: entered employment rate and cost per entered employment. Other DOL measures are included in some, but far from all, performance-based contracts. It is notable, however, that job retention measures are often present in performance-based contracts, even if SDAs are not subject to such standards.
- The main perceived disadvantages of performance-based contracts were the time consuming nature of writing such contracts and the possibility that such contracts may provide strong incentives to screen applicants, and therefore may lead to undesirable "creaming." SDAs appear to address some of these and related concerns by improving contracting procedures.

MDC Report: Phase III (7)

- Performance-based contracting-service deliverers were paid a fixed-price for each participant placed in regular employment (in place at 17 of the 25 field sites). One SDA used a variable payment scale that offered more money for placing harder-to-serve participants.

C. PERFORMANCE STANDARDSWestat-SDA Transition Year Report (5)

° The JTPA legislation authorized the Secretary of Labor to set performance standards to be used in evaluating whether the program is meeting the goals envisioned by Congress. The Department of Labor issued standards for seven outcome measures --four for adults and three for youth. National Standards for the Transition Year and Program Year 1984 were:

<u>Measure</u>	<u>Transition Year</u>	<u>PY 84</u>
<u>Adults</u>		
Entered Employment Rate (percent)	58	55
Cost Per Entered Employment	\$5,900	\$5,704
Average Wage at Placement	\$4.90	\$4.91
Welfare Entered Employment Rate (percent)	41	39
<u>Youths</u>		
Entered Employment Rate (percent)	41	41
Positive Termination Rate (percent)	82	82
Cost Per Positive Termination	\$4,900	\$4,900

° The PY 84 standards are to be used for both rewards and sanctions as specified by JTPA. Performance standards for PY 84 are to be used as the basis for distributing 6 percent incentive funds under Title IIA at the State level. At the local level, performance standards for SDAs provide incentives for performance-based contracting.

° During the transition year, all sample States except one adopted all seven performance measures specified by the Secretary of Labor. The one exception appeared to be the result of oversight rather than deliberate planning.

° In PY 84, as in the transition year, the measures specified by the Secretary were dominant: all States adopted the Secretary's seven outcome measures. However eight of the twenty sample States adopted standards beyond the Secretary's measures:

- "Significant segments" standards--several States are concerned about equitable service to various segments of the eligible population (input rather than output requirements);
- job retention standards;
- net impact standards - i.e. net earnings gain and net earnings gain per dollar expended;

- Job placement in new or expanding industries.
- Expenditure standards;
- The requirement of States to spend a certain portion of their Title IIA funds.

◦ More States are expected to experiment with additional measures, but some experiments may be too ambitious technically, and some may be resisted by the SDAs. Developing additional outcome measures appeared to be a slow, complicated process.

#### Westat-SDA Final Report (6)

- The States had only limited transition year experience with performance standards other than the outcome measures specified by the Secretary of Labor, and those that did encountered difficulties of early implementation.
- In PY 84, all States adopted the Secretary's seven outcome measures, however, a substantial portion (40 percent of sample States) also adopted standards beyond these seven measures. These additional measures reflect three main areas of concern:
  - Equity of service (significant segments standards);
  - Longer term outcomes (job retention); and
  - Fair use of standards (expenditure requirements).
- Fourteen sample States used the Secretary's regression-adjustment methodology, and nearly half of these made further adjustments to model-derived values.
- However, six of the sample States did not use the DOL adjustment methodology. These States took the national standards as a point of departure, and often made ad-hoc adjustments to these figures. An inadequate understanding of the DOL adjustment methodology was an important reason for the standards setting approaches adopted by these States.
- The evolution of six percent policies was an important feature of State-level implementation during PY 84. Most sample States summarized performance on various measures in a summary Title IIA "performance index" or developed some other rules for summarizing performance on the various measures (e.g., SDAs must meet a certain number of standards to qualify for incentive grants).
- The adult entered employment rate, cost per entered employment, and welfare entered employment rate transition year standards were met by about 90 percent of sample SDAs. However, almost 30 percent of sample SDAs failed to meet their adult wage standard.

- Performance on the youth measures tended to be lower than on the adult measures. Only a third of sample SDAs met the youth positive termination standard.

- This is related to the lack of established youth competency systems, and to transfers to summer youth programs which did not qualify as positive terminations.

- Most States did not change the three youth performance measures established by the Federal legislation. Of the small proportion (10 percent) that did, all added to the three in some way.

- In most cases, this took the form of States adding minimum acceptable service levels to one or more subcategories of youth as a condition for the receipt of incentive funds.

- While most States did not change youth performance measures, a sizable minority of States made adjustments to one or more of the youth performance standards. These included "tolerance" adjustments and adjustments for productivity.

- In all cases, these adjustments served to reduce the difficulty of an SDA to attain a particular standard, and were, in some cases, made to decrease the youth positive termination standard and/or increase the youth cost per positive termination standard.

#### MDC Report: Phase II (7)

- Inadequacies of state follow-up systems, in particular, may raise large questions for the future -- especially if the emphasis of federal performance standards shifts from current "proxy" measures (entered employment rates and costs per placement) to longer-term measures such as increased earnings and job retention. For now, performance standards present few problems for the States.

#### 1985 NAB Survey (26)

- Youth employment competencies supported and established by most PICs. Nearly 85 percent of the PIC chairs and 75 percent of the SDA administrators interviewed believe that the attainment of youth employment competencies is a legitimate program outcome. Almost 90 percent of all PICs surveyed had either established or were in the process of developing PIC-approved competencies.

° PIC chairs and SDA administrators support JTPA performance standards but many see need for improvement. Although about three-quarters of PIC chairs and slightly more than half of the SDA administrators interviewed by NAB feel that performance standards positively affect their programs, less than half of each group believes that the current standards are totally adequate for evaluating JTPA programs. Performance standards were said to have a negative effect on programs by about 12 percent of chairs and 27 percent of SDA administrators.

° Support for post-termination performance standards high. The overwhelming majority of PIC chairs (85.5%) believe that their PICs would favor post-program standards and only 2.5 percent think their PICs would oppose these follow-up measures. Most councils (81.8%) had discussed implementing a participant follow-up system for their SDAs and, of these, about three-quarters had either already established or were in the process of developing a system.

° Relatively few SDAs sought and were granted adjustments in performance standards. Of the SDAs included in this survey, only about 30 percent had requested adjustments to their performance standards. Of these, about half had been granted the changes they sought at the time of interview. Although adjustments to each of the seven standards were requested, the most frequently sought changes were to the youth entered employment rate and the average wage at placement.

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**IV. TITLE III PROGRAMS**

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## IV. TITLE III PROGRAMS

A. BUILD-UP OF THE PROGRAMWestat-State Report (1)

- Build-up of Title III has been slow.
- Of the \$87.3 million available for dislocated workers in FY 1983 and transition year 1984 in the sample States, the status as of January 1984 was as follows:
  - 39.2 percent of the funds had not yet been committed.
  - 19.2 percent had been committed to projects that had not yet enrolled participants.
  - 36.8 percent was committed to projects which had begun to enroll participants.
- Reasons for the slow build-up include the following:
  - TY 1984 funds did not become available until mid-November 1983. The amount of uncommitted funds is almost the same as the late allocation.
  - Preoccupation with implementing JTPA IIA and the basic administrative structure.
  - Delays inherent in an RFP/project approach.
  - Problems associated with matching requirements.

Westat-SDA Transition Year Report (5)

- SDA involvement in Title III increased during the transition year as States funded more projects operated by SDA administrative entities. However, the funded projects did not mark a shift in the decisionmaking for Title III. In most cases, authority was retained at the State level and the amount of funding passed directly to the SDAs remained small.
- The problem of unobligated Title III resources have dissipated. Most sample States successfully committed previously unobligated resources before the transition year deadlines.
- Usually, this effort involved distributing program funds to existing service providers such as local Employment Service offices or community colleges, or renewing projects that received FY 83 funding.

• Expenditures of funds fell substantially short of the amount obligated, with slightly less than two-fifths (38.9 percent) of the \$94 million allocated through the end of the transition year being spent; reasons being:

- Underreporting of expenditures during the transition year because of:
  - Use of performance based contracting means funds are paid out only when the performance requirements have been met.
  - Expenditures from some projects are reported only after completion of the project.
  - Problems with attempts to develop centralized management information systems.
- Extensive training was required for intake procedures and eligibility determination.
- Inability to contract layed-off workers to the program because they persist in thinking that the plant will reopen.
- State decisions to operate the program outside of the organized SDA systems.
- Several States set aside a percentage of Title III funds as a contingency for emergency plant closings.

#### Westat-SDA Final Report (6)

• Funding for the twelve-month program year 1984 (July 1, 1984, through June 30, 1985) brought the total amount of Title III funding available to well over \$200 million.

• In some cases in PY 84, there were major changes in organization (i.e., transfer to the program from the Governor's Office to the State's Department of Labor), while in others the balance of power may have shifted as a Governor started to take greater interest in the program, or a new Governor was elected.

• In general, the influence of the State Council and of the private-sector members of the Council in establishing joint interactions with the private sector to establish joint programs, increased during PY 84.

• For PY 84, roughly 80 percent of available Title III funds had been obligated to the States. Expenditure of these funds was about 40 percent on average.

• Due to lags in the allocation process, there was an anticipated 25 to 40 percent carry-over of unexpended funds.

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° A total of \$343.5 million was available in PY 1984 for expenditure on Title III programs.

- Only 46% of these funds were expended.
- 44 of the 57 States/territories reported that 40% or more of their available funds remained unspent.

Downriver Program Report (13)

° To develop information regarding the effectiveness of alternative methods for reemploying displaced workers, the U.S. Department of Labor has, since 1980, funded several pilot projects. This evaluation examines one of the first such projects, the Downriver Community Conference Economic Readjustment Program, which served laid-off automotive workers in the Detroit metropolitan area.

° Funded through a combination of local CETA Title II-B and II-C monies and a Title III National Demonstration grant, this program was operated in two phases between July, 1980 and September, 1983.

° Both layoff plant management and unions can play a valuable role in disseminating information about program services to dislocated workers. The Downriver experience suggested that when plant management and unions work closely with the program by providing rosters of laid-off workers and signing outreach letters, worker participation is likely to be higher.

° The Downriver experience also suggested that involving local employers in an oversight role, particularly with respect to design of training components, is an effective strategy for structuring their involvement in program design.

° Rather than involving employers in broad policy development or design issues, a more focused approach that assigns specific responsibilities, makes the best use of employers' limited time.

° Involvement of local elected officials is critical to the success of dislocated worker program initiatives. Elected officials' involvement in the initiation of a program, in publicizing it and in providing oversight, are all critical factors that can influence the responsiveness of a program to local needs and initiatives.

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<sup>4</sup> Information obtained from the JTPA Quarterly Status Reports (JQSR)

GAO Testimony (18)

° For the period October 1982 through June 1985, over \$421 million has been appropriated for Title III.

° The Administration has proposed a 55 percent cutback in funding for program year 1986 because it believes that the level of carryover funds available from prior year appropriations is sufficient to maintain current funding levels. GAO found that when the carryover funds for each State are added to the proposed funding level (after the cut) 23 States would have less money available for dislocated workers in 1986 than was allocated to them in 1985.

**B. STATE ADMINISTRATION****Westat-State Report (1)**

- ° Organization of Title III administration reflected the desire of State officials to maintain control over resources for dislocated worker program.
- ° For most part, Title III services are being delivered outside of the SDA system.
- ° Although States control most Title III projects, they are allowing local project operators discretion in targeting and in service mix.
- ° There are five basic patterns for allocating funds. The most popular method for funding Title III is the RFP project arrangement (13 out of 20 States):
  - Title III projects selected through a competitive RFP process.
  - State-wide agencies or organizations selected to run a single statewide program.
  - Title III funds distributed by formula to SDAs, counties.
  - Title III funds targeted to specific areas certified as eligible for projects by a selected RFP process.
  - Statewide projects established on non-competitive basis.
- ° The key entity in Title III program varied by State:
  - In some States, a strong SJTCC made selections and approved projects.
  - In most States, ultimate approval authority resided in the Governor's office.
- ° Economic development is a key factor in the use of Title III funds and the close oversight by Governors. This largely accounts for minimal (2 States) use of formula funding by States.

**Westat-SDA Final Report (6)**

- ° Administrative responsibility for the Title III program in most sample States continued to be either with a division of the State's Department of Labor, with a division of another State department (i.e., Community Affairs) or with the Department of Economic Security/Employment Service.

° During PY 84, the Governors played an active role in only a few States, but showed varying degrees of personal support and direction in the majority of States. Governors are especially interested in economic development, promoting public/private sector ties and in coordinating efforts of several State agencies.

° In general, the influence of the State Council and of the private-sector members of the Council increased during PY 84, although in more than a third of the sample States the Councils have a very limited role or no role at all.

° In one-quarter of the sample the State Councils have some oversight responsibilities (i.e., approving overall expenditure plans or clarifying eligibility standards).

° In six States the State Council or one of its committees plays an active role in project funding decisions.

° The allocation mechanisms used to distribute the bulk of States' PY 84 Title III funds were as follows:

- Six States used a general RFP process.
- Two States earmarked funds for SDAs and distributed them through an RFP process.
- One State formula funded SDAs.

° Regardless of the major allocation mechanism used, a good number of States retained from about 10 percent to 35 percent of the total Federal Title III allocation to be used as a "Governor's discretionary fund," or a State controlled "rapid response" fund, or to address statewide dislocated worker problems.

° In most States, the roles of the SDAs in the Title III allocation process continue to be minimal compared to their involvement with the Title IIA program. Indications are that, in general, States are continuing to centralize their control over the program.

° A continuing issue surrounding Title III has been the rate of expenditure. The Reagan Administration requested a \$110 million revision for Title III in PY 84 in its fiscal year 1985 budget, based on the low expenditure rate of Title III funds. The Phase II report on this study indicated that virtually all the Title III allocations had been obligated by the States as of the end of the transition year, but only slightly under 40 percent had been expended.

° In Phase III of the study, the Associates examined obligation and expenditure in more detail. At the end of the third quarter of PY 84, States had obligated roughly 80 percent of the Title III funds available. On average, expenditure of obligated funds was running at about 40 percent.

° The majority of States indicated that they would obligate all of their available funds by the end of the program year. However, due to lags in the allocation process as well as in expenditure, it is likely that the Title III program will have a 25 to 40 percent carryover of unexpended funds.

° By the end of Phase III, all but two States in the sample implemented performance standards for Title III. Most based their Title III standards on Title IIA standards rather than transition year Title III experience.

° All 18 set entered employment rate standards, 12 set cost per placement standards and half set average wage at placement standards. A few States implemented additional standards such as wage replacement or earnings gain measures.

° Most States monitor both performance (usually monthly) and expenditure (usually quarterly). The results of the monitoring feed back through corrective action requests and refunding decisions.

#### GAO Testimony (18)

° If the formula for distributing program year 1986 funds to States was altered to take into account the availability of carryover funds in individual States, then it is possible that States could be provided enough money to match the level of funding in program year 1985. To change the formula, however, would probably require a change in the Job Training Partnership Act.

° The Secretary's discretionary fund could also be used to help alleviate any hardship created by the funding reduction.

CSR Report (23)

- ° Twenty-six States clarified or refined definitions of eligibility for Title III, often making more than one change:
  - Eighteen States moved to tighten the definition or length of required layoff or plant shutdown and to require recipients to meet that definition.
  - Seven States introduced definitions concerning applicants' attachment to a primary occupation and distinguished between primary occupation and temporary employment.
  - Four States specifically defined the terms under which self-employed persons (and especially farmers) would become eligible.
- ° The number of States where competitive procurements, using an RFP, were the predominant allocation method remained unchanged in PY 84. However, the number of States using this method for at least some part of their allocation has apparently increased.
- ° During PY 84, 43 States lodged responsibility for Title III in the same general agency as for Title IIA.
- ° As of February/March 1985, ten States' Title III units had decided not to apply for Secretary's Discretionary Grants in PY 84. Of the remaining 40 States, 34 had applied for such grants: seven States' applications were rejected, 16 were still in review and 11 States had discretionary projects funded. Five of the 40 States had not yet applied but had definite plans to do so; only one State remained undecided.
- ° The States that decided not to apply for funds gave several reasons for their decision:
  - One State, which had had a previous proposal rejected, perceived that their proposal would not be funded.
  - The other nine States noted problems with matching funds and with expenditures, citing problems with generating the required match for formula funds as the reason for low commitment rates.
  - Abatement of the dislocated worker problem.
  - Length of the procurement process.

- States have pursued setting Title III performance standards on their own.
  - Forty-six States imposed an EER standard.
  - Thirty-four have developed a cost per entered employment standard for PY 84.
  - Seventeen States are imposing an average wage at placement or a wage replacement rate standard.
  - Thirty-seven States write their Title III performance standards into contracts, although only three States use only performance-based contracts.
  - Twenty-one more States have at least one performance-based Title III contract, while 26 have none.
- Of the 364 projects, over 20 percent (82) were grants to SDA administrative entities or are PIC-administered projects, with an additional 12 percent of projects (45) controlled by city or county agencies whose relationships to the SDA administrative entity was not immediately clear. The next most important type of grant recipient was a State agency (54, or 15 percent of projects), commonly, but by no means always, the SESA.
  - Organizations which could clearly be classified as Community Based Organizations (CBOs), such as OIC, SER, Urban League or Community Action Agencies, were the grant recipients for 27 projects (7 percent). In addition, local private nonprofit organizations, many of which may be locally recognized CBOs, administered an additional 22 projects (6 percent).
  - Only three other types of organizations were grant recipients for 5 percent or more of Title III projects. These included:
    - Community colleges or universities (10 percent, or 36 projects),
    - Private firms (8 percent, or 30 projects), and
    - Labor organizations (6 percent, or 22 projects).
  - The remaining 16 percent of Title III projects were administered by diverse organizations: planning or economic development boards, Chambers of Commerce, joint labor management committees, tribal councils, Councils of Local Government, joint labor management training funds, proprietary schools, local educational agencies and others.

◦ The vast majority of PY 84 dislocated worker projects anticipated serving relatively few participants. Of the 320 projects for which planned enrollment figures were available, 58 percent would serve 100 or fewer; 80 percent would serve 200 or fewer; while 90 percent would serve fewer than 300 persons.

◦ Overall, the 364 projects offered the following services:

<u>Service</u>	<u>Number of Projects</u>
Assessment	248
Classroom Training	230
OJT	200
Job Search	148
Direct Placement	139
Counseling	101
Job Development	36
Relocation	26

◦ The distribution of projects by State average unemployment rate is another interesting finding. The largest number of projects--54 percent--were located in States with unemployment rates below the national average. This could mean that State average unemployment rates mask projects of high unemployment that merit Title III expenditures.

C. MATCHING

Westat-State Report (1)

- ° Most States (19 of 20 in sample) are required to meet some level of matching.
- ° Five States in sample passed responsibility for meeting the Title III match to subgrantees.
- ° Another 14 States designated source of matching at State level. Sources used were:
  - Unemployment Compensation (12 States)
  - State costs for community colleges and vocational schools which provide Title III services (11 States)
  - Employer share of OJT costs (7 States)
  - Other sources included in-kind staff and facilities, cash appropriations by States, unions and foundations.
- ° Reliance on unemployment insurance, employer OJT contributions and vocational education for in-kind matching may have caused some delay in enrollment because of need to generate specific types of training for enrollees (e.g., UI recipients).

Westat-SDA Transition Year Report (5)

- ° Most sample States continue to pass the non-Federal matching requirement to the subgrantee or program level. The sources most commonly used by the subgrantee to meet the requirement are the employer's share of the on-the-job training wage contract, unemployment insurance compensation, and various State and private in-kind matches.

Westat-SDA Final Report (6)

- ° Nineteen of the 20 sample States were subject to a matching requirement. The sources most often used to generate the match continue to be unemployment benefits paid to program participants; the employer's share of OJT wages; and various in-kind contributions. Only three States provided any real match.

CSR-Dislocated Worker Report (23)

- By far, the most frequently used sources of Title III matching funds are unemployment insurance, in-kind contributions, the employers' share of OJT wages and the State appropriation share of the cost of vocational or technical education.
- Other sources in use or being contemplated included:
  - UI-related matching sources;
  - State general revenue appropriations and incentives to use JTPA participants; and
  - Cash from existing joint labor/management training funds such as the UAW-automakers "Nickel Funds" and other "hard cash" matching funds.

#### D. CHARACTERISTICS/TARGETING OF ENROLLEES

##### Westat-State Report (1)

NOTE: Because most projects were not yet underway or only in early stages, there was not data on enrollee characteristics from the WESTAT reports. However, the reports did discuss targeting strategies which provide some indication of those to be served.

- ° Targeting is still in the process of development in most States.
- ° The tendency in most States is simply to repeat the descriptions of target groups in the law with some difference in emphasis.
- ° Ongoing discussions may lead to more definitive definitions of target groups.
- ° Most common form of targeting is geographic. May be further refined by limiting project to a particular plant or class of worker such as long term unemployed

##### Westat-SDA Transition Year Report (5)

° State-level targeting policies for Title III have evolved considerably since the winter 1984 observation period:

- Five sample States have developed narrowly focused target groups;
- Another seven have established "threshold" guidelines for funding specific projects, allowing the program operators to shape their own programs.
- The eight remaining sample States have no particular targeting strategy.
- Four States operating centralized statewide programs seem to prefer to provide Title III services to any "walk in" who meets the basic eligibility criteria.

##### Westat-SDA Final Report (6)

° During PY 84 a number of States narrowed or expanded the definition of a dislocated worker and others targeted special populations, but for the most part targeting remains similar to transition year targeting, with eight States reporting no explicit target groups.

° Farmers were eligible for assistance during PY 84 in several States; other States were considering including or targeting farmers for PY 85. A few sample States targeted special populations such as minorities, women, the disabled, old workers and high school dropouts. Displaced homemakers have not been targeted, but are eligible in some States.

° Targeting for employment-generating and other economic development initiatives increased somewhat during PY 84 and there are indications that it will be greater during PY 85.

#### Downriver Program Report (13)

° Characteristics of dislocated workers:

- Dislocated workers made eligible for the Downriver program were predominantly male, between the ages of 25 and 44, married, and with family responsibilities.
- Close to 60 percent of program-eligible workers had completed high school or received additional post-high school training. Masked by these seemingly high levels of educational attainment, however, was a low literacy level (20% below the sixth grade reading level).
- Program-eligible workers were experienced production workers, with over ten years experience on the layoff job and earning approximately \$10.00 per hour.

#### Buffalo Dislocated Worker Program (14)

° The dislocated workers served by the Buffalo program were predominantly male (over 85 percent), white, and of prime age (mean age of 37). About half of these workers had only a high school education, and a third had post-high-school education. The majority of the sample were married (about 70 percent), and most had one or more dependents (70 percent).

#### Delaware Dislocated Workers (17)

° It appears that applicants were not screened closely enough. According to the letter and spirit of JTPA, participants should be persons who are most in need of services and are most likely to benefit from them. This was not the case for all participants, some lacked sufficient motivation and many had unrealistic expectations about the types of services for which they were best suited.

° Thus a more comprehensive applicant screening process is recommended. This process should include:

- More detailed interviews by program staff and

- More motivational hurdles at the outset of the program (e.g. further individual assessment and participation in more preliminary orientation activities).

#### GAO Testimony (20)

- According to the Department of Labor, Title III projects had enrolled over 170,000 workers as of March 31, 1985. Based on the data from GAO's analysis as well as data from the quick turn-around portion of the Job Training Longitudinal Survey (JTLS), participant characteristics generally matched those of dislocated workers identified in the supplement to the January 1984 Current Population Survey (CPS).
- Title III participants were primarily white (70 percent), males (59 percent), of prime working age (87 percent), with at least a high school education (77 percent).
- However, GAO's comparison also showed that two groups--workers 55 years of age or older and those with less than a high school education--were somewhat underrepresented in Title III projects.
- GAO found that most projects offered a mix of training, job placement assistance and support services, but less than half of the Title III participants actually received any training and even fewer received support services.
- Some types of assistance appeared more successful than others in helping dislocated workers find new jobs. For example, about 80 percent of Title III participants who received on-the-job training achieved employment as compared to the program's overall placement of 69 percent.
- Overall Title III projects served a higher percentage of minorities than those identified in the CPS.
- The Current Population Survey (CPS) identified 5.1 million workers that had worked at least three years at their job and were dislocated between January 1979 and January 1984.
- Of these, 1.3 million were not working and were seeking employment in January 1984 at the time of the CPS.
- About 20 percent of both groups in the CPS were 55 years of age or older. In contrast, only about 8 percent of the workers served by Title III were in this age group.

CSR Report (23)

◦ Selection criteria reflected in screening techniques frequently corresponded to good work habits. Motivation was the characteristic ranking highest on the list of criteria.

◦ Academic proficiency in reading and mathematics was the primary criterion for admission to classroom training.

◦ Designing a mix of services is easier for plant specific groups than general Title III eligibles because workers laid off from the same employer will be homogeneous in terms of sex, education, and personal attributes.

◦ As a rule, dislocated workers are likely to be over 25 years of age usually have a high school diploma, are married and contributing to the support of a family. They own homes and cars at the time of the layoff. There is a high incidence of post-high school training and post-military service. They are demoralized by their unemployment.

◦ Remedial education supplemented skill training in eight of the projects featuring a training service track. Approximately 80 percent of the dislocated workers served by the projects studied had completed high school and nearly a third had some post-secondary education. It was surprising to learn then that a great many could not qualify for admission to skill training offered by training institutions.

## E. RECRUITMENT AND SERVICES

### Westat-State Report (1)

° In 144 Title III projects in sample States, the evaluation found the following mix of services:

- 47 percent of projects include OJT.
- 45 percent of projects provide classroom training.
- 43 percent of projects provide job search.
- 24 percent of projects provide various kinds of support services.

° Range in types of services reflects strong local influence in project design.

° 72 percent of projects offer either OJT or customized training reflecting economic development emphasis.

### Westat-SDA Transition Year Report (5)

° The strong local input in determining service mix for Title III continued through the transition year. This, combined with the broad legislative discretion for determining service strategies, has produced a wide range of services to address the varied problems of displaced workers.

° State control over the Title III program has meant a limited number of SDA-operated dislocated worker programs. Only fourteen of the forty sample SDAs received grants to operate Title III projects. In these programs, services are usually targeted on persons with a recent labor force attachment, but others were also served. Services ranged from employability development services, such as job search, to institutional skill training, usually short term.

### Westat-SDA Final Report (6)

° Several States continued to fund projects designed to locate immediate employment for Title III participants. The premise underlying this approach is that the displaced worker can find a new job with improved job search skills, such as resume writing, practice interviews, and completing job applications.

° These States recognized that many dislocated workers urgently need immediate income instead of training. The job search or "job club" efforts were often supplemented with job development and job placement components. In addition, an array of counseling services was sometimes provided to help participants come to grips with their employment problems.

° Other States funded projects to provide dislocated workers with new job skills. Typically, these projects target workers whose skills are considered obsolete, and who were affected by specific plant closings. These programs combined classroom and vocational training for specific occupations with on-the-job training contracts with small businesses.

#### Downriver Program Report (13)

° A mandatory two-week assessment and job search training sequence was established as a prerequisite for receipt of additional program services. Participants were required to take standard aptitude tests and participate in job search training. This sequencing of services served to:

- Ensure that only those who were committed to reemployment received services; and
- Provide early information to program staff regarding the number of workers likely to require retraining.

° Downriver staff established a full menu of program services that involved job search assistance and job development, classroom and on-the-job retraining, and relocation assistance.

° In developing training programs, emphasis was placed on short-term, technically-oriented courses that met employers' needs.

° Training curricula were reviewed by employer committees to assess whether and to what degree the courses would yield trained workers who could fill entry-level positions in growing fields.

° Little use was made of the program's relocation and out-of-area job search assistance components. Only eight percent of participants relocated, and of these, approximately 20 percent returned to the Downriver area.

#### Buffalo Dislocated Worker Program (14)

° The full range of services represented in the six-site demonstration were offered to dislocated workers recruited for the Buffalo program. These included:

- testing and assessment;
- job-search workshop;
- job-search resources;
- classroom training;

- on-the-job training;
- job-development services; and
- relocation assistance.

- ° All 798 participants were assessed and enrolled in a four-day job-search workshop. Of these participants, a total of 218 received on-the-job training, and 138 received classroom training.
- ° Which Program Components Are Most Effective? Two of the three main program services (job-search assistance and classroom training) significantly facilitated worker readjustment, with the impacts being of similar size for the two components.

**Delaware Dislocated Workers (17)**

- ° Program service included:
  - Job-search workshops;
  - Individual counseling;
  - Job development activities; and
  - Retraining (for roughly one-fifth of the participants).
- ° Job search workshops appear to have been well received. The primary recommendation for changing future job-search workshops is to extend them. The amount of material to be covered requires more time than was available during the four to five half-day sessions conducted during the pilot program.
- ° Counseling was a variable and idiosyncratic program component:
  - There were too many individual counselors involved for the system to be manageable;
  - Each counselor was spending too small a fraction of his or her total time on the program to be efficient; and
  - Far more training was necessary in order for high school guidance counselors to gain the information and experience required to deal effectively with the problems of dislocated adult workers.
- ° Job development suffered from many of the problems experienced by the counseling activities. Too many individuals were involved and each person spent too little time with the program. Thus a consolidation of effort should be considered. In addition, thought should be given to combining the job development and counseling functions.

GAO Testimony (18)

° In contrast to the relatively small percentage of participants receiving training, most Title III participants received job placement assistance. Nationally, about 83 percent of the Title III participants received job counseling and 65 percent received job search assistance.

° Nationally, about 22 percent of the Title III participants received supportive services.

CSR Report (23)

° The purpose of a training and employment program's intake system is to control the flow of desirable participants so that optimal enrollment levels are maintained. Components of an intake system include applicant recruitment, orientation, eligibility determination, assessment and counseling.

° All projects serving a generally eligible population practiced some form of pre-enrollment screening that called for a trial period of participation in either job search workshops or classroom training. The trial period ranged from one day to ten days. These trial periods were used to measure participant motivation, interest, and ability to progress well in the activity.

° By contrast, projects set up to serve specific groups of workers laid off by a plant closure or major reduction in work force, seldom engaged in any preenrollment screening.

° Generally, plant specific projects enrolled all applicants following an orientation session, eligibility determination and a brief interview.

° For the projects serving the generally eligible groups, recruitment was much more intensive and required a far greater outlay of resources. Television and radio announcements, printing and distribution of posters and brochures, and solicitation of referrals from other agencies were recruitment techniques common to these projects.

° Projects that emphasized outcomes, usually those associated with SDAs, structured intake systems to screen applicants prior to enrollment. Projects demonstrating less concern for entered employment rates favored systems that expedited enrollment.

° All projects used questionnaires and interviews to screen applicants. The second most popular screening technique was testing.

◦ Many used the tests to avoid referring candidates to vocational technical schools when they could not qualify for admission. Testing was particularly rigorous where the training institutions were paid through performance based contracts.

◦ There are three major problems associated with the intake systems of the projects studied -- recruitment of general Title III eligibles, screening for enrollment in the job search service track, and maintaining an optimal flow of participants into the project.

◦ The orientation component of the intake systems of the projects studied served a variety of functions. Every project provided applicants or participants some orientation to the program of services. In these instances, orientation acted as a screening technique.

◦ In five projects, orientation served as a program marketing tool and was closely tied to the recruitment component.

◦ Interviews that cover past work history and job skills and the trial participation period were the two most frequently used screening techniques among the projects studied.

◦ Whether a project operates continuously or for a short term affects the flow of participants. Thus, maintaining an optimal flow of participants was a problem that affected plant specific projects more than projects serving general Title III eligibles. Projects designed to operate as ongoing programs set up intake systems that were able to keep a steady flow of participants moving into the project. Projects created to deal with a specific layoff were expected to operate only for a 12-month period.

◦ The problem of maintaining a smooth participant flow is exacerbated further if project staff are not given sufficient lead time to plan and develop the coordination of the intake components.

◦ Intake Models. The 15 projects used one of four models. The four models were:

- Filter Model - One that organizes intake activities so that the applicant pool passes through successive screening processes designed to screen out inappropriate applicants.

- Self-Selection Model - Emphasizes multiple orientation components and counseling. It is also a model that seeks to prevent the enrollment of inappropriate applicants; therefore, enrollment and assignment to service mix occur simultaneously and are the final steps in intake. Used for screening large population of eligibles and seeking high entered employment rates.
- Accelerated Processing Model - Used where projects are concerned with accelerating enrollment levels as expeditiously as possible.
- Market Screening Model - The labor market is used to screen applicants either before they enter intake, before they are enrolled or immediately after enrollment. If job search under these conditions fails to result in employment, the dislocated worker is deemed an appropriate candidate for more substantive services.

### Services

- Title III of the Job Training Partnership Act (JTPA) provides a broad menu of services and reemployment activities to dislocated workers. These include both general education and job training via on-the-job training (OJT), classroom training or any other training format; relocation assistance; supportive services, including needs-based payments made directly to participants; and training related services, such as vocational counseling and job placement assistance.
- The most frequently observed arrangement was two service tracks-a job search service track and a training service track. Thirteen of the 15 projects offered both a job search service track and a training service track.
- Job Search Assistance Service Track. This service track generally consisted of a job search workshop, followed by job search assistance. The job search workshops ranged in duration from four hours to 80 hours but covered similar topics. Topics included identifying and gaining access to potential employers, completing job applications and resumes, making presentations and identifying one's job-related skills.
- Job search assistance that followed the job search workshops took several forms. The most common form of follow-up assistance was staff counseling and job development.
- Nine of the 15 projects featured a resource center, a space dedicated for the exclusive use of the participants.

- Six of the 15 projects featured job clubs. The most common approach was to form a job club of a previous job search workshop group. Job clubs were developed to provide group support for participants engaged in self-directed job search.
- Job search assistance service tracks offered limited supportive services. The most frequently provided supportive service was transportation.
- Only four projects provided needs-based payments. Child care, clothing and work-related tools were other aids provided by a few projects.
- Only three of the 15 projects actually provided any relocation assistance, although all projects officially had relocation services available to participants.
- In nearly all of the projects, participant motivation was a major focus of the program. Motivation training was frequently built into the job search workshop.
- Training Service Track. The training service track was used as a back-up to the job search service track in six of the projects; otherwise, participants enrolled in this service track as a result of extensive assessment and counseling. In the case of the latter arrangement, job search training and assistance was arranged to follow training.
- The training service track usually was a combination of some type of training and the services and activities included in the job search assistance service track. Only three projects set up mutually exclusive service tracks.
- Classroom training was the most common approach to training and was second only to job search workshops in numbers of participants served. Thirteen of the 14 models that offered any kind of training relied upon classroom training, largely vocational or job skill classroom training. Skill training was always provided by a post-secondary educational institution in the community. Emphasis generally was on short term interventions, although participants were allowed to enter one-year programs.
- There were three principal factors that governed a participant's admission to classroom training--ability to meet the institution's entrance requirements, ability to financially support themselves while enrolled in classroom training, and inability to get a job otherwise.
- Remedial education supplemented skill training in eight of the projects featuring a training service track.

° Only two of the 14 projects with a training service track emphasized OJT.

° We observed two training-related innovations in the ten exemplary projects. Entrepreneurial training was available through two of the projects. The training provided to dislocated workers enabled them to operate their own small businesses. Technical assistance was provided in the form of advice, and in some instances, through small amounts of start-up funds.

° Another innovative feature was the use of educational vouchers by the Hampden Career Center in Massachusetts. Dislocated workers were given educational vouchers that, in effect, guaranteed payment for tuition costs or training selected by the participant.

° The limitations on supportive service funding restricted participation in classroom training to those dislocated workers who had supplementary incomes. For this reason, the participant's financial status was frequently a factor considered before enrollment in this service track.

° Projects dedicated to a specific target group, e.g., a plant specific group, were required to increase remedial education and supportive services to compensate for these participants' needs for basic academic skills.

° We found four strategies toward job development commonly in use.

- Participants began generating their own job leads from newspaper ads, employment service listings, or cold calls to employers.
- Sole reliance on a preexisting job network (previous employer, union, or local employment service office).
- The use of job developers. Job developers obtained these listings by developing extensive contacts with employers in the community. Programs causing job developers were most common in areas of high unemployment.
- Combining the above methods.

° Retraining is neither required nor appropriate for all program participants. The program was designed, via job search, to place as many participants as possible, primarily without retraining.

° Relocation assistance- After two to three years of unemployment, the long term dislocated worker sought relocation assistance.

**F. RESULTS****Downriver Program Report (13)**

° The principal goal of the Downriver program was to facilitate participants' reemployment in an occupation, industry, or geographic area with a more favorable long-term employment outlook. The evaluation's major conclusions can be summarized as follows:

° The Downriver program showed large, statistically significant effects on the employment and earnings of workers from the BASF plant.

° The program increased participants' likelihood of post-layoff reemployment and the percent of time they were employed post-layoff by 20 percentage points.

° The program also raised participants' average weekly earnings during the post-layoff period by approximately \$77 over the amount expected in the absence of the program.

° In contrast to these impressive results, no positive impacts resulted for Ford workers. In fact, the program actually decreased Ford workers' reemployment rates, and had no effect on overall employment rates and earnings.

° With regard to differential effects by type of program service, the analysis shows the following:

° The Downriver program significantly increased participants' access to training opportunities, by approximately 25 percentage points over what would be expected in the absence of the program.

° Training opportunities were more likely to be in vocational/technical areas than those courses pursued by nonparticipating eligibles and comparison workers.

° Despite increased access to training opportunities, however, this training did not yield statistically significant improvements in participants' reemployment experiences.

° This lack of a significant impact due to training could have resulted from four factors:

- Small sample sizes;
- A shorter followup period for trainees as opposed to non-trainees;

- Self-selection bias; or
- Ineffective training.

° Perhaps the most important conclusion that can be drawn from this study is that it is possible to design and operate effective programs for reemploying dislocated workers, and that substantial numbers of such workers will participate.

° In particular, an intervention strategy that targets assistance on plant closures results in high participation rates. Involving employers and unions in the outreach process further improves the likelihood that workers will come into the program.

° Finally, dislocated worker programs can produce positive impacts on participants' employment and earnings, and these benefits can exceed the costs of operating such programs.

#### Buffalo Dislocated Worker Program (14)

° In total, 22 percent of the dislocated workers recruited by the Buffalo program chose to participate, compared with a range of participation rates from 7 percent of recruited workers in Yakima to 67 percent of the workers recruited for the Alameda program.

° Placement rates ranged from 9 percent in Milwaukee, which offered primarily job-matching services, to a high of 81 percent in Yakima; Buffalo had the second highest rate (66 percent).

° However, the low placement rate in Milwaukee was achieved at a relatively modest cost of \$1,500 per placement, as compared with an average cost of \$2,300 or more per placement in the other sites, and an average cost of \$3,014 per placement in Buffalo.

° Per participant costs were also relatively high in Buffalo (\$1,975) as compared with demonstration-wide averages of \$128 to \$2,349 per participant.

° Three general conclusions:

- Although the dislocated workers were laid off for a long period (14 to 15 months, on average), the majority became re-employed on their own, albeit at a substantially lower salary than their previous job.
- Only a minority of dislocated workers can be expected to participate in a full service worker readjustment program.
- The low participation rate (22 percent) of the Buffalo program was due in part to the long average period of time between layoff and program recruitment.

° Environmental Context. The results of this demonstration program indicate that interventions can be effective in a weak economy, under conditions in which the worker dislocation is highly concentrated and represents a significant fraction of key area industries, and among workers with relatively generous severance and unemployment compensation benefits and who are in the higher wage segments of the workforce.

° Target Population. Programs should adopt few eligibility screens other than that of dislocation. Instead, programs should help workers determine whether, in view of their duration of unemployment and current sources of income support, the program is likely to benefit them.

### Delaware's Dislocated Workers (17)

° Results of the impact analysis present a picture which is quite different from that based simply on placement rates. This result was somewhat disappointing for the Delaware program and should be cause for serious concern when one attempts to interpret placement rates for other programs.

° Basically, in terms of program objectives -- (1) to reduce participants reliance on UI benefit payments and (2) to increase their earnings -- the program appears to have had no positive impacts. This finding can be attributed to at least three different factors which lead to very different policy implications:

- First, it is possible that the basic concepts underlying the Delaware program are not valid and do not represent an effective way to deal with the problems of dislocated workers.
- Second, it is possible that the conceptual basis of the program is sound but implementation problems undermined its effectiveness.
- Third, it is possible that the evaluation was a weak test of the program and may have understated its effectiveness.

° Several issues should be considered in planning for future dislocated worker programs:

- Participants should be held more accountable for obtaining employment.
- Further examination of the reasons for no-show and early program dropouts should be undertaken.

CSR Report (23)

- Projects that did not screen participants prior to enrollment generally had a lower entered employment rate than those projects that did screen participants.
- Recruitment and orientation appear to be significant factors affecting entered employment rates. That the two service tracks (training and job search assistance), still produced similar outcomes in terms of entered employment rates is a finding that suggests classroom training is an effective reemployment strategy for dislocated workers who are not job ready.
- Cost per entered employment from job search assistance only ranged from \$198 to \$948, with a typical cost per entered employment of around \$600. Cost per entered employment from the training service track ranged from \$1,267 to \$2,825, with a typical cost per entered employment of around \$2,000.
- The difference in cost is related to the length of stay more than any other factor. In those instances where such data were available, length of stay in job search assistance service tracks averaged 30 days. Length of stay in the training service tracks ranged from four months to two years.
- Job Search Assistance Service Track. There are two basic elements of a job search service track--teaching job search skills and maintaining an active job search until employment is found. In all projects, teaching job search skills was the purpose of a structured job search workshop.
- The study of projects also revealed that the entered employment rates were lower when workshops were briefer. Job search service tracks with 60 to 80 hours of job search training had the best entered employment rates. The lowest entered employment rates were associated with job search service tracks where job search workshops were only four to six hours in length.
- Another problem universally recognized by the projects was maintaining participant morale. The second element of a successful job search assistance service track was a sustained job search. Motivated participants were able to look for jobs, accept rejection and continue the search. Participants who lacked the motivation to pursue a job hunt eventually became non-positive terminations. Motivation was somewhat a function of morale. Staff of projects that operated successful job search assistance tracks viewed maintaining participant morale as second only to job search skills in the reemployment of dislocated workers.

◦ Most projects purposively selected staff who were upbeat and enthusiastic and who had warm personalities. In many cases, participant morale during job search depended on staff efforts.

◦ Training Service Track. Factors interfering with successful training service tracks involved three factors of training--marketing OJT, flexibility in classroom training, and participant receptivity to remedial education.

◦ OJT played a minor role in the retraining of dislocated workers in all but one project.

◦ Post secondary institutions, particularly two-year community colleges or junior colleges, have as their goal the transfer of students to four-year colleges and universities. They are reluctant to divert resources to the job training needs of non-traditional students who require open ended classes, training more customized to the needs of specific employers and the limitation of contact hours to skills directly associated with job performance.

◦ The third aspect of the training service track that causes problems is meeting the general education needs of dislocated workers whose academic functioning levels are inadequate for technical training. This problem is two-fold:

- Dislocated workers, are not receptive to remedial education. Enrollment in remedial education is a tacit acknowledgment of inferiority. It is also pretty boring.

- There is the question of how best to teach remedial education so that learning is selective and accelerated participants can move quickly to skill training.

◦ Because of limitations on costs of non-training related services, participants had to depend on their own personal resources to meet their needs, or else on referrals to other community agencies.

◦ Probably the greatest problem facing laid-off workers is lack of income and it is one that JTPA does not address. As a result, projects either screened out applicants on the basis of income or patched together a limited piecemeal approach to meeting supportive service needs.

◦ Relocation assistance never reached a significant level of application. Dislocated workers universally resisted moving and project staff seemed unsure about how to provide relocation services. In many instances, relocation was never broached. It is clearly the option of last resort.

° JTPA Title III projects cannot achieve the reemployment of steelworkers or other high wage earners into jobs that will approximate their previous earnings capacity. Where substantial career changes are necessary to reach a wage level comparable to wages at layoff, retraining of one to two years is usually needed. However, dislocated workers cannot sustain training for even a year in most instances. Time and money are the dislocated workers' greatest barriers to reemployment.

° Area economic conditions will have a strong influence on the job development strategy used by dislocated worker programs. The study has shown that the diversity of jobs, as well as average wages and unemployment rates, determine the approach used to develop job opportunities for participants.

#### JTPA Fact Sheet (July 1984-June 1985) 5

° Of the Title III funds expended in PY 1984, 77% were devoted to training activities.

° Enrollees into Title III during PY 1984 (July 1984-June 1985) displayed the following characteristics:

- 94% were adults
- 80% were high school graduates
- 62% were males
- 54% were Unemployment Insurance claimants
- 50% were economically disadvantaged
- 30% were minorities

° Initial program assignments for Title III enrollees were:

- 23% were assigned to Classroom Training
- 20% were assigned to On-the-Job Training
- 41% were assigned to Job Search Assistance

° The average length of stay in the program was 17.0 weeks.

° As a result, 65% of those terminating the program entered employment, paying an average wage of \$6.20 an hour.

- and the cost per entered employment was approximately \$2,129.

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5 Data obtained from the Job Training Longitudinal Survey (JTLS)

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**V. WAGNER PEYSER**

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## V. WAGNER-PEYSER

A. ROLE OF ES IN SDA/JTPA PROGRAMSWestat-State Report (1)

- ° Some change has occurred in the Employment Service and its relation to State and local (SDA) JTPA operations.
  - The change was not as great as it might ultimately be because other events (getting the system in place and other more immediate implementation issues) captured the attention of State officials.
- ° It has been difficult thus far to isolate the effects of the Wagner-Peyser amendments from the effects of: (1) the reduction in funding of ES; and (2) the implementation of JTPA as a State program for administering all employment and training activities.
  - ° State agencies are, in varying degrees, developing their State plans in conjunction with the SDAs.
    - These arrangements vary from State requirements that a local ES representative be included in PICs and that SDAs use ES for intake and assessment functions to the development of a "model" local plan by the State ES which is "passed by" the local SDA/FIC.
  - ° The view of some State officials is that more local, rather than State, control is resulting from the Wagner-Peyser amendments because of the "bottoms up" planning requirement under which ES must establish its local service plan in conjunction with SDAs.
  - ° The current story concerning ES across the States varies widely:
    - In some cases, JTPA and the Wagner-Peyser amendments had the effect of strengthening ES (making it organizationally equal to JTPA or actually giving it full responsibility for State employment and training programs).
    - At the other extreme, Governors significantly reduce the role of ES or force it to sell the SDAs its services to maintain its size and role.

Westat-SDA Implementation Report (2)

° Employment Service (ES) relations with the PICs and SDAs vary substantially depending upon the availability of other subcontractors in the area, State organization and past history of relationships.

- in eight SDAs, ES provides services under a nonfinancial agreement with the SDA, with no contractual obligation;
- in the remaining eight SDAs, the ES has both financial and nonfinancial agreements with the SDA to provide services;
- the most frequently provided services are intake and eligibility verification;
- other services most often provided include placement and development of OJT contracts.

ADC Implementation Report (3)

° Few specific programmatic activities beyond agreements to cross-refer clients were in place.

° The Employment Service and other public agencies participated in and influenced local JTPA decisions in varying degrees and ways such as serving on PICs or operating programs in the sample sites.

° In total, about 50 percent of SDAs had some sort of coordinated activity with the Employment Service in planning or operations, but the likelihood of these arrangements accomplishing something meaningful could not be judged at this time.

Westat-SDA Transition Year Report (5)

° In sixteen of the forty SDAs relationships between the SDA and the Employment Service was "positive", in fourteen SDAs the relationship was "negative", and in the remaining ten, "mixed".

° The PIC was judged to have minimal input into the Employment Service plan in thirty-three of the forty SDAs observed. Only two SDAs showed evidence of extensive PIC input into the Employment Service plan. The PIC was judged to have significant input in the remaining SDAs. About half of the SDAs studied funded some Employment Service programs out of Title IIA 78 percent funds.

° Effect of Wagner-Peyser amendments may be more local control of ES as a result of bottoms-up planning requirements.

MDC Report: Phase II (7)

- ° The amount of coordination between JTPA and the Employment Service ranged from the merging of ES and JTPA under one administrator in several sample sites to a more limited relationship of cross-referrals, Employment Service membership on the PIC, and contracts for particular services.
- ° Multiple jurisdictions within the SDA, particularly with respect to educational and economic development efforts, increase the difficulty of working out viable coordination efforts. Many actors bring about time demands and/or multiple political considerations which make coordination unlikely.
- ° The Employment Service was a major service deliverer in 34 percent of the sample sites. It was not a service provider at all in 41 percent of the sites, and had a modest level of participation in service delivery at 25 percent of the sites. This did not represent a substantially greater reliance on Employment Service than had existed under CETA.

Macro Phase I. (8)

- ° In most of the States in the sample, the Title V amendments have not yet had a major impact upon JTPA-ES coordination.

- ° Factors that have acted as barriers to enhanced coordination at the local level in many States included:

- The relative lack of involvement of the PICs in ES planning and policymaking;
- Funding cutbacks that have made the ES reluctant to provide services to other agencies without adequate compensations;
- The inability of some local ES offices to compete for JTPA contracts because of high overhead costs; and
- The persistent effects of long-term agency rivalries between ES and job training officials.

Macro Phase II. (9)

- ° In all but four of the sample SDAs, little evidence was found that the Title V joint planning requirements had yet resulted in any significant increase in "bottom-up" planning by district or ES offices.

- The merger of ES and JTPA functions within the same State agency or division has not typically resolved all barriers to coordination. Efforts to merge ES and JTPA functions at the operations level have only been partially successful because State agencies do not have line authority over the SDAs.
- Most sample States have tried to promote local ES-JTPA coordination by means of planning instructions and coordination requirements issued to the SDAs. However, the SJTCC and State ES agencies appear to lack the ability to enforce the local coordination requirements at the current time.
- Officials in 16 of the sample SDAs believed that there was greater coordination now than under CETA. In most of the remaining SDAs, coordination activities were reported to be largely a carryover from the pre-JTPA period.

Despite some degree of enhanced coordination in most of the sample SDAs, there continued to be factors that limited coordination in almost all of the SDAs. The barriers were:

- The effects of long-time agency rivalries;
- The perception that the ES and JTPA have different goals;
- JTPA performance contracting; and
- Funding cuts under JTPA.

## B. ES-JTPA COORDINATION AT THE STATE LEVEL

### Westat-State Report (1)

- ° In one State, officials are "integrating" ES and JTPA and although no formal merger is likely, the local staffs are co-located and common intake forms are being developed.

### MDC Implementation Report (3)

- ° JTPA coordination with the Employment Service, while stressed by the Act and at least nominally by the States, was not yet significantly different than it was under CETA and seemed to be heavily influenced by previous historical (positive or negative) ES-CETA relationships.

- ° A policy goal emphasized by all States in the study is improved coordination among government agencies at the State and local levels. Very few JTPA actors at those levels were against coordination in principle.

- However, many State commitments to coordination were merely statements of policy with little real content yet developed.

- ° Developments in some States (long-term planning, establishment of cabinet-level or interagency committees and task forces) do suggest that coordination is likely, over the course of JTPA, to produce meaningful activities.

- ° In some States, ES and JTPA service boundaries have been coordinated but few specific programmatic activities beyond cross-referral of clients were in place.

- ° While most States made "improved coordination" one of the two or three major outcomes they were seeking from JTPA, and had established written agreements between State agencies, these agreements were seldom specific and likely were intended to provide a framework for future coordination.

- ° 91% of the States in the study required coordination with the Employment Service.

### Westat-SDA Final Report (6)

- ° Actually the role of the ES at the State level did not change much between 1983 and 1985. Most of the changes occurred at the local SDA level. In a number of States, ES administrators, JTPA staff, and/or the State Council pushed for greater use of ES by SDAs.

° There was a greater tendency for SDAs to use ES as a provider in the TY and early PY 84 period than at the end of PY 84. There were two reasons for this:

- The reduction in ES personnel which limited the ability of ES to provide intake and evaluation services to SDAs.

- The SDAs have gained sufficient experience and confidence in JTPA that they no longer look on ES as the only provider or source of counseling/employment assistance.

° The longer-term direction of Employment Service involvement in JTFA continues to be unclear. However, at this point, the waxing and waning of interest in the Employment Service at some of the SDAs does not outweigh the overall pattern of a relationship that is basically a continuation of the previous CETA/Employment Service relationship.

° The 50-State survey, however, indicated a clear trend at the State level for greater JTPA/ES coordination. Whether the State interest will affect SDA activity is an issue for follow up.

° Fully 30 of the States responded that significant change had already occurred in ES operating procedures, planning process, or jurisdictional boundaries:

- Most of these States spoke of improved coordination and collaboration generally;
- Nine cited instances where ES boundaries have been made coterminous with JTPA's;
- Eight where ES plans are either reviewed by or approved by PICs or SJTCCs; and
- Three where ES offices were co-located with JTPA offices.

#### Macro Phase I. (8)

° In general, the new authority of the Governor under JTPA has facilitated the merging of ES and job training functions at the State level.

° The Governor's Annual Statement of Goals and Objectives for job training and placement functions has not yet evolved into a document that reflects unique ES policies of program emphasis in individual States.

During the Transition Period planning cycle, the review of State and local ES plans by the State Job Training Coordinating Council (SJTCC) was largely pro forma. SJTCC's generally took a more active role in reviewing ES plans during the Program Year 1984 planning cycle, but in most States, the SJTCC continues to be relatively passive in its dealing with ES and has yet to show a great deal of interest in ES activities.

#### Macro Phase II (9)

States' ES policies have not been greatly affected by the authority granted to Governors in the Title V Amendments. The goals of the Governors tend to emphasize general economic development rather than specific ES activities. The Governors' Coordination and Special Services Plans (GCSSPs) usually contain only general reference to the ES and have little impact on ES policies and planning. In most States communication and interaction between the Governor's Office and State ES officials are indirect and infrequent.

The National and Regional Offices of DOL are assuming a much smaller role in planning, oversight, technical assistance and on-site monitoring. Most State officials are pleased with this change, even though it caused some initial problems.

For the most part the merging of ES and JTPA functions has not progressed beyond that seen in Phase I of this study where, in one-half of the States, ES boundaries had been redrawn to make them more consistent with SDA designations.

In only two of the sampled States did the State Job Training Coordinating Council (SJTCC) play a significant role in the development of the basic State ES plan. In most States the plan was largely an in-house product of the State ES staff. The available evidence suggests that the relatively low profile of the SJTCC with regard to ES activities will continue over the long-term in most States.

**C. IMPACT OF PIC REVIEW OF ES PLANS**

**Westat-State Report (1)**

- State ES agencies were, in varying degrees, developing local and State plans in conjunction with the SDAs. Arrangements varied from a State requirement that a local ES representative be included on PICs to the development of a "model" local plan by the State ES which is "passed by" the local SDA/PIC.

**Other (USES Wagner-Peyser Implementation Status Report (10/7/83 and 10/31/83)**

- As of 10/7/83, 584 out of an expected 597 ES component plans were discussed between ES/PIC/CEO (98%) and agreement was reached on 552 of the 584 (95%).

**Macro Phase I. (8)**

- In the large majority of the SDAs in the sample, the PICs have not yet had a major impact upon ES planning and policymaking at the local level.

- Largely because of time constraints, the local ES plans for the Transition Period were generally not a product of substantial joint planning and were given only a pro forma review by the PICs. Many officials believed that as PIC members become more knowledgeable about ES, they will take a more active role in shaping ES goals and priorities.

**Macro Phase II. (9)**

- In the PY 1985 planning cycle, the PICs in most of the sample SDAs continued to play a minimal role in the local ES planning and policymaking processes. As a result, the PICs had generally not established substantial influence in the local ES planning process.

- In about two-thirds of the sampled SDAs, the ES prepared their local PY 1985 plans without any up-front discussion with the PICs or SDA staff. In the remaining SDAs, preliminary planning discussions occurred, but the PICs and SDA staff were generally not directly involved in the formation of the ES plans.

- Local officials in only five SDAs believed that the PIC review of the PY 1985 ES plan was comprehensive and more substantive than in prior years.

D. THE EFFECT OF FUNDING CHANGES (NEW FORMULA AND SEPARATE FUNDING FOR NON LABOR-EXCHANGE ACTIVITIES)

Other (USES Wagner-Peyser Implementation Status Report (10/7/83 and 10/31/83)

- All reimbursable grants have been negotiated and approved for all States and all States have been notified of grant approvals.
- With minor exceptions, projects were funded as planned in the following areas:
  - housing and labor certification;
  - ES-202;
  - State/local LMI planning;
  - targeted jobs tax credit; and
  - Employment Security Systems Institute (ESSI)

Macro Phase I (8)

- The new Wagner-Peyser formula for allocating funds to States has resulted in a significant reallocation of resources between the States.
- While the level of reimbursable grant funds authorized under Section 7 (c) of the Title V amendments is, in theory, negotiable, the States in the sample reported that there had been little, if any, actual negotiation for the funds to date.

Macro Phase II (9)

- The new funding system has resulted in a significant reallocation of resources among the States between FY 1983 and PY 1985. Major "gainer" States were in regions where unemployment has remained relatively high despite economic recovery. Owing to the JTPA hold-harmless provisions and the use of the DOL secretary's 3 percent reserve, the maximum funding cut for any State between FY 1983 and PY 1984 was 2.3 percent.
- Among the sampled States, large gainers generally used their added funds to build their job placement staff, to improve employer services, to upgrade and automate operating facilities, and to initiate innovative and experimental projects. States with significant funding reductions reacted with a combination of staff layoffs, reduced services, and (in two States) a few closings of local offices.

° All of the sample States except one have made changes in their substate ES allocation procedures under JTPA:

- Five States are now allocating funds using the same factor as the national distribution formula;
- An additional six are using variations of the formula in combination with other factors, such as workload and placement productivity;
- Only four of the States are making their total substate allocation in terms of dollars rather than staff positions.

E. USE OF THE 10% SETASIDE FUNDS

MDC Implementation Report (3)

° Even where the legislation gave States the opportunity to influence program policy, primarily through the use of setasides which could be targeted at specific groups or program activities, most had not taken the opportunity.

° At the time of the field visits there had been little substantive planning on the use of these setasides.

° Use of the 10% setaside was, in most States, at too early a planning stage to indicate if they could be used for targeting "most in need" groups.

Other (USES Wagner-Peyser Implementation Status Report--10/7/83 and 10/31/83)

° The unit to administer the Governor's 10% setaside funds has been designated in all States; in 53 States the SESA was the agency designated and in the other it is a unit within the umbrella agency where the SESA is located.

° According to regional office reports, the following situation exists regarding the uses of 10% funds for performance incentives:

- 26 States indicated that all or a portion of 10% setaside funds will be used for performance incentives;
- 27 States will not provide performance incentives; and
- one State has not made a decision.

° Other uses for the 10% setaside funds were LMI enhancement, extra services for special target groups (e.g., U.I. claimants, youth, employer committees), and exemplary models.

MDC Report: Phase II (7)

° Wagner-Peyser 10 percent set-aside funds were widely used to coordinate activities between JTPA and the Employment Service. These funds are also mandated for performance incentives and for services to special groups.

° There is mounting evidence that JTPA's 10 percent set-aside for ES services is having positive effect: Fully three-fifths of the States reported significant changes in ES procedures, jurisdictional boundaries, or planning process; and ES/JTPA coordination is clearly improving over time.

° Nationally, the trend is away from exclusive use of 10 percent funds for basic ES staff support and towards more diverse uses for joint ES/JTPA planning, programming, and coordination purposes.

° Most of the States (26) said that they were not significantly changing the way they had used their ten percent funds during the nine-month transition period preceding PY 1984. However, descriptive commentary attachment to responses to these questions emphasized a tendency of the States to reduce basic support for ES in PY 1984 in favor of other uses such as money for planning coordination between ES and JTPA.

**Macro Phase I (8)**

° In States with large funding gains, the 7(b) funds were used primarily to support experimental projects designed to improve ES operations or ES-JTPA coordination in the long-run. Among "loser" States and States with only moderate gains, about one-half reported that some 7(b) funds were being utilized in a manner that helped to support basic ES operations.

**Macro Phase II (9)**

° The sample States continued to employ a wide variety of approaches to using the Governor's Section 7(b) discretionary funds. The most common planned use of 7(b) funds was to improve ES services to various applicant groups and employers. One-half of the States were using 7(b) funds to provide performance incentives, but the amount of funds allocated to this purpose was typically small.

F. IMPACT ON ES OPERATIONS

Macro Phase I. (8)

- Except for some of the funding provisions, the Title V amendments have had minimal impact upon ES services to veterans in the sample States.
- For the most part, the Title V amendments have had little, if any, impact upon ES services to Unemployment Insurance (UI) claimants in the sample States, or upon ES-UI operating relationships.
- Each State in the sample has adopted some system of performance indicators for monitoring ES local offices. However, most are simply using ETA placement goals as an overall guide.
- As yet, there has not been a significant trend toward integration of ES and JTPA reporting systems in the sample States.

Macro Phase II (9)

- In PY 1984, the amendments continue to have little impact upon basic ES services to clients in the sample States, except for the funding changes. Although there have been sizable changes in the levels of client services in individual States, such changes were generally attributable to the economic recovery and funding reallocations.
- There have been notable changes in the levels but not the nature of ES employer services under JTPA in the sample States. Basic ES services to employers, as measured by the number of job openings received and filled, increased considerably between FY 1983 and PY 1984.
- ES service levels to veterans in relation to total applicants have remained about the same between FY 1983 and PY 1984.
- The Title V amendments continue to have little impact upon ES-UI relationships or services to UI claimants in the sample States.
- Only one-half of the 16 sampled States had developed Statewide ES performance standards for PY 1984 and PY 1985, but all States had a system of local area standards in place. Nine of the sample States made use of the DOL-TAG regression model.

° For PY 1985, each of the sample States planned to continue to compile most of the previously required ESARS and CAS data.

° Federal funding for State LMI activities has remained at the pre-JTPA level, with minor inflation adjustments. There has been a significant increase under JTPA in interagency coordination and cooperative projects in the LMI area.

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**VI. FEDERAL ROLE**

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## VI. FEDERAL ROLE

Westat-State Report (1)

° One-fourth of the 20 States surveyed saw the lack of DOL guidance and information as a continuing implementation problem. Included in this were comments with regard to:

- lateness in allocation information;
- differences between planning figures and actual allocations;
- lack of information on such issues as acceptable sources of Title III match; and
- the short time for planning in the absence of any program information.

° Slow buildup of Title III is attributable in part to the fact that Title III is a new program without clear federal direction.

MDC Implementation Report (3)

° There were occasional concerns in almost every State as to whether federal involvement in interpreting and administering JTPA would remain at a minimal level. Several States projected that it would not.

° The State focus on compliance systems and mechanisms was in part based on a concern about the absence of federal direction and the State liabilities that might occur if compliance issues were not adequately planned for and resolved.

° The degree to which the federal government consistently carried out its commitment to leave ample discretion to the States and not issue technical prescriptions and clarifications caught the States offguard. Numerous instances were reported where the States sought clarification on particular issues and were told that those issues were a matter of State discretion.

° Several States JTPA Administrators were cautious about setting State performance standard variances because DOL had declined to establish parameters for variation for the TY 1984 period, issuing instead the "regression model" by which Governors could establish their own variations.

Westat-SDA Transition Year Report (5)

° The Department of Labor holds periodic technical assistance conferences for the SDAs. Regular information is furnished to the SDAs, including a "Service Delivery Area Planning Package" for preparing the annual plan. The State controls the set-asides and Title III funds, but the SDAs do not seem to resent this.

Westat-SDA Final Report (6)

° Performance Standards - Fourteen sample States used the Secretary's regression-adjustment methodology, and nearly half of these made further adjustments to model-derived values.

° However, six of the sample States did not use the DOL adjustment methodology. These States took the national standards as a point of departure, and often made ad hoc adjustments to these figures.

° An inadequate understanding of the DOL adjustment methodology was an important reason for the standards setting approaches adopted by these States.

° Title III programs in the early stages of JTPA were funded from four different "pots" of money:

- For Federal fiscal year 1983, more than \$18 million was distributed to the States in February 1983 by formula. Later a second allocation of over \$63 million was made from the Emergency Jobs Bill (Public Law 98-8).
- In September 1983, the Secretary announced that the \$26 million discretionary fund was available to assist States particularly hard hit by conditions that led to the dislocated worker program.
- During October and November 1983, more than \$70 million was distributed by formula for the nine-month transition period, from October 1, 1983 through June 30, 1984.
- Funding for the twelve-month program year 1984 (July 1, 1984 through June 30, 1985) brought the total amount of Title III funding available to well over \$200 million.

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**VII. YEDPA**

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## VII. YEDPA

A. POLICY INTERPRETATIONSThe YEDPA Years (10)

- ° Youth Employment and Demonstration Projects Act (YEDPA), was enacted in August of 1977.
- ° The law substantially increased authorization for the Job Corps and the Summer Youth Employment Program (SYEP).
- ° It also created four new programs:
  - The Youth Community Conservation and Improvement Program (YCCIP)
  - The Youth Employment and Training Program (YETP)
  - The Young Adult Conservation Corps
  - The Youth Incentive Entitlement Pilot Projects
- ° Programs were not in existence long enough to get conclusive results of their benefits.
  - ° Many programs, because of inadequate staff, were not able to keep sufficient quantitative monitoring to enable effective analysis. Much research was hastily constructed.
  - ° Legislation created too many different program elements in too short a time.
  - ° YEDPA program evaluation research was seriously retarded by the lack of outcome data over a long period of time.
  - ° Child care for teenage mothers would encourage greater participation.
  - ° Overreliance on subjective measures should be avoided in future research.
  - ° Followup data for post-program effectiveness should be at least two years.
  - ° Operational stability of the program is needed before effectiveness can be determined.
  - ° Planning for the JTLS should give serious consideration to the selection of randomized control groups.

° The broad purpose of YEDPA was to provide employment, training, and demonstration programs, to enhance employability for youths. The different programs allowed diverse ways of dealing with youth employment problems.

° Overall outlays for youth programs were doubled to what they had been previously (approx. \$2 billion dollars a year, serving an average of 1.5 million youths). CETA program costs compared to YEDPA costs are shown in Table 3.4, P. 14. Table 3.6, P. 16, shows annual and total participation in the Youth Employment Programs between 1978 and 1981.

° **Knowledge Development Under the Youth Employment and Demonstration Program (1977-1981) by Richard F. Elmore:**

° Reviews the history of YEDPA, the main actors, and the direction of their decisions during the life of the program. He posed four broad points:

- What constitutes useful knowledge? -- Experimentation in research and demonstration projects should be the final stage in the process and "not the first step in finding out what works." Research is one way of determining usefulness of projects. Others being regularly scheduled congressional visits to pilot projects, and head to head discussions among administrators, practitioners, and researchers.
- Delivering Services and Discovering Effects -- "Delivering services may be the best that can be done in the long run. Finding solutions to chronic social problems requires a long time investment in practical knowledge as well as research."
- Political and Organizational Correlations -- "Sufficient capacity" would mean adequate staff and adequate direct control to manage from the center a program as large as YEDPA.
- Payoffs -- Proper implementation of program (capacity, organizations which have the capacity, incentives for mobilizing that capacity) is needed initially. How to solve chronic social problems should be a long term goal.

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<sup>6</sup> Supplement to the "YEDPA Years" report, National Academy Press, 1985.

**B. MARKETING AND RECRUITMENT (PROVIDERS AND PARTICIPANTS)****The "EDPA Years (10)**

- Problems with recruiting sufficient numbers of eligible youths from the designated target groups:
  - Short planning time and the resulting tendency of prime sponsors to base needs assessments on outdated information and to overestimate target group size;
  - A legislative requirement that youths in regular CETA programs be served at the same levels as previously and the strict eligibility requirements for some YEDPA programs may have resulted in a shortage of eligible youths in some local areas; and
  - The tendency of program operators to serve the least disadvantaged of the eligible youths, leaving the most disadvantaged and needy without services. This phenomenon, known as "creaming," reflects the tradeoff that many program operators perceived between serving those most in need versus those more likely to succeed.
- In meeting the increased enrollment and rapid implementation requirements of YEDPA, prime sponsors when given the option of serving either in-school or out-of-school youths tended to focus resources on the in-school population. Even when programs were specifically targeted to dropouts, they often had difficulty in recruiting and retaining them. As a result, the question of how to reach and serve dropout youths effectively was largely unanswered by YEDPA.
- Of all youth groups, school dropouts face the most serious employment problems. Because of problems in recruiting and serving dropouts, however, the focus of youth research and demonstration under YEDPA was unduly directed to in-school youths and high school graduates.
- The committee strongly recommends that school dropouts be given priority status for employment and training programs and research. Program efforts should be shaped to test systematically the alternative methods of addressing the education and employment needs of these youths, and research should focus on the underlying determinants of the dropout phenomenon.

◦ In order to rid employment and training programs of the stigma which has plagued them and their participants, the committee strongly recommends that attempts be made to target services for disadvantaged youths in ways that will not isolate them but rather integrate them into mainstream institutions and activities. The role of the school system and the relation between the schools and the youth employment and training system are critical in resolving this problem.

◦ More research should be done on selective factors that affect the recruitment of women into youth employment programs and the differential treatment by sex in occupational training once in programs. More research is also required on potential nonemployment outcomes of job training for women, such as increased educational attainment, reduced welfare dependency, and reduced early childbearing.

### C. SERVICES

#### The YEDPA Years (10)

- There is only very limited evidence from YEDPA on the effectiveness of skills training for in-school youths. The only program that provided evidence of reasonable quality showed no effect on participants' postprogram earnings or employment rates. However, this program was so special in nature and participant characteristics that one would not wish to base general conclusions about skills training for in-school youths on the evidence from this program alone.
- Subsidized jobs programs for out-of-school youths can be effectively operated in the public and private sectors, though substantially more effort is required to enlist private sector employers. Such jobs need not be "make-work" but can provide output of positive social and economic value.
- The evaluation of the Supported Work program for severely disadvantaged school dropouts provided strong evidence of no long-term gains in employment and earnings.
- A temporary jobs program for severely disadvantaged out-of-school youths (Supported Work) had no effect on educational attainment nor on reducing crime or alcohol and drug abuse.
- Temporary jobs programs for in-school youths operated during the YEDPA period (entitlement and SYEP) were effective in increasing participants' employment and earnings during the period of program participation.
- For one program (entitlement) effects were of sufficient magnitude to eliminate the employment and unemployment differences between black and white youths who were eligible for the program. In addition, there is evidence that these jobs were of reasonable quality.
- YEDPA programs providing labor market preparation for out-of-school youths resulted in some positive effects on employment in the 3 to 8 months following program participation (Alternative Youth Employment Strategies, the Recruitment and Training Program, Project STEADY). There are no reliable data, however, to determine whether these short-term gains are sustained over the long run or whether such programs had any effects on educational attainment or other goals, such as reduced crime and substance abuse.

◦ YEDPA produced no reliable evidence on the effect of temporary jobs programs on the long-run post-program employment and earnings of in-school youths.

◦ A major program (entitlement) offering temporary jobs to youths on the condition that they remain in school was not effective in increasing school retention.

◦ Programs designed to provide job placement assistance to in-school and out-of-school youths were effective in increasing employment for the first year after program participation. This effect decayed gradually and disappeared entirely by 2 years after program completion.

◦ The relationship between the employment and training system and the school system remains problematic. Despite some common objectives and client groups and efforts to bring the two systems together in the service of those objectives and clients, they remain largely separate, and the potential benefits of mutual efforts are largely unrealized.

◦ The importance of basic education as a component of programs for out-of-school youths should be tested systematically. Many programs have placed heavy emphasis on the attainment of a GED (or other educational interventions such as competency-based instruction) for this group and a serious attempt should be made to determine whether the increase in basic education provided through programs does in fact have long-term payoffs for these youths.

◦ Temporary jobs programs for out-of-school youths that were operated during the YEDPA period were effective in increasing participants' employment and earnings during the period of program participation.

◦ An attempt should be made to test how the number and characteristics of those enrolled in youth employment programs are affected by the provision of financial assistance and whether the length of participation varies according to whether assistance is provided.

◦ Programs should be designed to recognize more fully the fact that teenage parenthood often results in restricting the educational, training, and employment opportunities of young women. The benefits of providing child care to encourage greater participation of teenage mothers and more favorable program outcomes should be rigorously tested.

D. RESULTSThe YEDPA Years (10)

- ° The report stressed that random assignment in defining participants and control group comparisons should have been used more extensively to minimize bias.
- ° The use of subjective measurements as proxy variables often had only "modest levels of association" with the objective outcomes.
- ° Many YEDPA programs gave inadequate attention to sample design and execution - including defining the sampled population and obtaining data from all members of the target population.
- ° Did YEDPA achieve its goals?
  - YEDPA did address immediate employment needs of youths through job creation that was more than make work.
  - There was little reliable information on the degree of effectiveness of the program. Therefore, research efforts were considered unsuccessful.
  - Successful involvement of other national and local agencies (particularly schools) in aiding school dropouts in employment and training was mostly unrealized.
  - School dropouts should be given priority in youth programs, with integration into the mainstream economy needed (particularly schools).
  - The positive results of Job Corps should be further studied through the use of random assignments, to find which components of the program were successful.
- ° Problems with implementation:
  - There was friction between CETA and YEDPA programs over attention from national administrators, and different types of service requirements.
  - School systems did little recruitment of school dropouts. Other organizations were also guilty of "creaming."
  - Targeting programs to disadvantaged youths in urban areas tended to isolate those programs socially and racially.
  - Staffing experienced high turnover because of the long term instability of funding, low pay, and limited advancement opportunities.

- There were conflicts with the Davis-Bacon Act in attempting to employ youths at construction projects. Also youth's work could not contribute to the profit of a business.
- The New Youths Incentives in Apprenticeship program was generally made up of in-school youths and non-minorities (80%). Therefore, it was indeterminate whether this type of program would be effective among more disadvantaged youths.
- Conclusions:
  - Labor market preparation programs for out of school youths had little effect on employment.
  - 26 week programs could be shortened to achieve the same goal.
  - Deficiencies in research of these programs made conclusive analysis unobtainable.
- Effectiveness of YEDPA temporary jobs programs:
  - There were five programs that provided temporary jobs.
  - Three were exclusively for out of school youths:
    - Ventures in Community Improvement (VICI)
    - Supported Work
    - Public Versus Private Sector Jobs Demonstration Project
  - Two served in-school youths:
    - The Summer Youth Employment Program (SYEP)
    - Youth Entitlement Projects (YIEPP)
  - VICI showed positive post program effects and increased probability of employment. The use of union-journeymen to supervise had positive effects in post program job placement.
  - Supported Work targeted highly disadvantaged youths and had negative statistical results.
  - Temporary jobs programs increased earnings and employment rates for the youth cohort. These were also effective for black youth.

- To evaluate effectiveness of YEDPA job placement programs four programs were studied by the committee for out of school youths:

- 1 - 7001
- 2 - Job Factory Voucher Program
- 3 - Job Track
- 4 - Job-Factory

- Summary: - For the out of school programs "programs were found to be positive, but studies were found to be unreliable because of methodological flaws."

- In-school programs served only 25% disadvantaged. Short-term effects showed positive results for the participants.

- Evidence of program effectiveness from national data bases:

- Westat (1982)

- CETA had little overall impact for 14 to 15 year olds.
- For other youth groups net gains were found, the largest being for on-the-job training followed by public service employment and class-room training.
- Net gains were greatest for females.

- SRI International:

- Participation in CETA resulted in lower earnings for men and statistically insignificant gains for women.
- Both young male and female participants were more likely to be employed after CETA. Length of stay has positive effects on post-program earnings.

- The Urban Institute:

- Participation in CETA caused statistically significant positive effects.
- There were significant positive effects for young women, particularly minorities in on-the-job training and public service employment. Statistically negative effects prevailed for young men in Work Experience.

° NLS:

- CETA programs were found to have a negative effect on immediate employment, but some positive effects two years post-program.

° Limitations to the findings:

- Bias probable because of matching group procedure rather than "random assignment." These biases could have led to "serious errors of inference (in either direction)."

° **Implications of the youth employment experience for improving applied research and evaluation policy:**

° The committee felt that less than 30% of the evaluations of youth employment and training programs were qualitatively high enough for review.

- A lack of sensible comparison groups
- Unreliable measures of program outcomes
- Vague objectives

° Emphasis should be on randomized field experiments. "Where there is an oversupply of eligible recipients for scarce services, randomized assignment seems fair."

° Access to data bases should be made available, including the normal contractors and agencies responsible for overseeing evaluations.

° Attrition rates should be reported, and also how sensitive conclusions are to the attrition rate.

° **Estimates of effects of federal employment and training programs derived from the CLMS and NLS:**

- ° Both surveys were well designed and carried out
- ° Two separate problems in net-impact estimations using a matched comparison group:
  - The extent that participants may differ from eligible non-participants in ways that affect subsequent earnings.
  - The extent to which these differences can be detected and controlled using available demographic and pre-program earnings data.

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**VIII. SUMMER YOUTH PROGRAMS**

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## VIII. SUMMER YOUTH PROGRAMS

A. POLICY INTERPRETATIONSSYEP Study (15)

° There was relatively little in the way of program innovations in the summer of 1983, in response to either the then-forthcoming transition to the Job Training Partnership Act (JTPA) (effective as of October 1 1983) or the Administration's emphasis on greater private-sector initiative.

° The lack of innovation in the FY 83 summer youth employment programs appeared to reflect, to a large extent, a widespread sense of achievement and satisfaction with SYEP, as then constituted, on the part of program administrators and managers. This attitude was prevalent in both the Regional Offices of the Employment and Training Administration (ETA) of the Department of Labor and the CETA Prime Sponsors, which had direct responsibility for operating these programs at the local level.

° Additionally, extensive and rigorous monitoring of SYEP by Regional and CETA staff also contributed to meeting overall SYEP objectives, with respect to providing (1) worthwhile work experience and/or training for participating disadvantaged youth and (2) improved services to the community.

° As the FY 83 program got underway, program and procedural modifications already in effect in almost all local SYEPs had resulted, over the past few years, in major changes in local SYEP operations. These were reflected in:

- Tightened eligibility criteria to ensure participation by disadvantaged youth only;
- Improved selection of work sites and training of work site supervisors; and
- Reinforced procedures to ensure that the sites provided meaningful work experience and offered some degree of labor market orientation to participating enrollees.

° To the extent that there were some continuing program administration and management problems, they generally represented isolated situations rather than a wide range of difficulties. They often reflected an occasional case of supervisory laxity in keeping precise time and attendance records or a possible errant check that did not show up at the right time or place.

VIII-2

° Other residual problems were more deep-seated, and possibly more directly related to overall economic conditions than to SYEP. Perhaps the most significant of these was an inability to place job-ready, out-of-school youth (either high school graduates or dropouts) in private-sector employment at the end of the summer. This was true even though these enrollees had good habits and attitudes and had acquired meaningful work experience and some skills through SYEP.

° Another major problem evident in FY 83 SYEP operations was the limited and sometimes nonexistent interrelationship among the local SYEP programs providing subsidized jobs for disadvantaged youth and the usually separately conducted private-sector summer youth hiring campaigns. The latter were generally conducted under the auspices of a local chamber of commerce, board of trade, or mayor's office, and often did not focus on jobs for disadvantaged youth.

**B. MARKETING AND RECRUITMENT (PROVIDERS AND PARTICIPANTS)****TJTC Summer Youth Study (16)**

° ETA guidelines identify the State Employment Security Agencies (Job Service) and the CETA Prime Sponsors as organizations that will play the primary role in promoting the summer youth TJTC, either by engaging in direct promotional activities, or by encouraging local organizations to promote the program. Specifically, it was found that:

- Although the Job Service played a very active marketing role in some of the sites, in most cases the Job Service's activities were limited to distributing brochures and fact sheets and making limited contacts with employers by telephone or routine visits.
- In the large majority of sites, the CETA Prime Sponsor did not play an active role in marketing the program to employers. (However, as indicated below, CETA Prime Sponsors were often active in outreach activities targeted at youth.)
- Private groups, particularly local Chambers of Commerce, played a lead marketing role in several of the sites. In some cases, these groups operated under contract to the PIC or other publicly supported agencies, but in most cases they operated on a volunteer basis.
- In many sites, the efforts of the Job Service to promote the TJTC were not supplemented extensively by local community groups or by private organizations.
- In several sites, the marketing of the summer youth TJTC program was simply one component of broader-based annual campaigns designed to promote summer youth employment in general.
- As a rule, the most effective promotional campaigns occurred in sites where private organizations, the PIC, the CETA Prime Sponsor, and the Job Service participated in a coordinated effort to market the summer youth TJTC.

◦ In almost all of the sites visited during the study, respondents consistently reported that the summer youth TJTC program does not automatically "sell itself" to employers, despite the large potential savings that employers could realize. Respondents pointed out a number of obstacles to widespread use of the summer youth tax credit:

- Employer knowledge and awareness of the new tax credit was very limited prior to the mailing of informational literature by the Job Service and other agencies in the spring and early summer. This lack of knowledge partly reflects the fact that the credit was not enacted until October 1982. It also showed that small businesses and even the accounting departments of large corporations often had limited knowledge of the TJTC program in general.
- Most employers, particularly larger firms, have pre-established recruitment practices that are not specifically geared toward selecting applicants on the basis of TJTC eligibility. Employers are often reluctant to reshape their traditional recruitment practices to accommodate TJTC hiring procedures.
- Many employers are concerned about TJTC paperwork and are skeptical about the stated benefits of the TJTC summer youth program.
- A number of employers are concerned that the hiring of TJTC eligible youth will invite greater scrutiny from the IRS.
- A number of employers have negative stereotypes about "disadvantaged youth" in terms of their employability, and are often unwilling to take what they see as a potential risk to their business by hiring such a youth.
- Employers in manufacturing industries are often unwilling to hire 16 to 17 year old youth out of concern for their safety while on the job.
- Small businesses, as well as large firms that are not engaged in labor-intensive activities, frequently do not see the tax credit as particularly lucrative for them.

◦ Mass mailings were generally not sufficient by themselves to generate widespread employer interest in the program because business executives and personnel officers generally pay little attention to such correspondence, and that most mailings do little to resolve the concerns that many employers have about the program.

- In several sites, the mass mailings were supplemented by TV, radio, and print ads, press releases, and other media messages, usually on a relatively modest scale. While these approaches were effective in some sites, several respondents believed that the marketing of the TJTC program must be based on more direct contacts with employers in the form of presentations and seminars to alleviate concerns of employers about the program.
- Except in a few sites, Job Service officials and other respondents reported that they did not have sufficient resources, in terms of staff time and money, to undertake elaborate efforts to promote the utilization of the summer youth TJTC by employers.
- Another problem noted by some respondents is that the Job Service often lacks effective contacts and credibility with some levels of the local business community. Some business leaders reportedly view the Job Service as a public agency whose staff have little experience regarding the private sector. These members of the business community tend to be resistant to TJTC promotional efforts sponsored by the Job Service.
- As a result of this situation, the TJTC summer youth program in most sites was not effectively promoted unless other organizations supplemented the marketing activities of the Job Service. In sites where the Job Service's activities were not supplemented in this way, relatively little TJTC summer youth activity took place.
- Interviews conducted during the study indicated that several different approaches were used in the 18 sites to recruit, screen, and place TJTC-eligible summer youth. The two most common sources for recruiting youth were:
  - Local school systems
  - SYEP applicants and previous enrollees
- Respondents in a number of sites stated that they believed it necessary to conduct extensive screening of youth applicants before accepting them for TJTC voucherizing. These respondents noted that, in order to build support for the program among the employer community, it was necessary to ensure that youth who were referred to employers would be acceptable in terms of appearance, punctuality, verbal skills, and motivation.
- In many sites, the TJTC promotional literature sent to employers specifically stated that only highly motivated and employable youth would be referred for interviews.

° About 46.1 percent of the youth were 16 years old and 50.4 percent were 17. A small number of youth were vouchered a short time before their sixteenth birthdays.

° The case file data collected at the 18 sites show that 50.5 percent of white youth obtained TJTC jobs after being vouchered, compared with only 37.4 percent of black youth, 40.7 percent of Hispanic youth, and 36.6 percent of Asian youth. The difference between whites and minority youth was found to hold true in most of the individual sites. Interviews with officials in the local sites did not provide any indication of the reasons for this pattern.

**SYEP Study (15)**

° Targeting - Within the overall mandate requiring that CETA-funded summer youth employment programs focus solely on disadvantaged youth, there was a wide variety of approaches and emphases used by local Prime Sponsors in the FY83 program to identify specific target groups and to ensure that each received appropriate SYEP services. These differences apparently reflected differing local economic conditions and/or diverse assessments of the training and work experience needs of individual categories of SYEP youth applicants.

° Some areas gave primary targeting emphasis to in-school youth. This was on the premise that in-school youth needed SYEP funds to stay in school and that youth no longer in school probably already had an opportunity to acquire some skills and work experience.

° Other areas reflected the opposite assumption--that young people out of school and out of work needed the most help and could best benefit by training and work experience opportunities available under SYEP in terms of potential placement in private-sector jobs.

° Most areas gave particular targeting attention to applicants who were members of locally sizeable minority groups (Black, Hispanics, or Asians), to the handicapped, to limited-English speaking youth, to ex-offenders, and to youth who were members of families receiving welfare assistance under AFDC or other programs.

° Areas also frequently tailored program slots to take account of the size and needs of differing age groups (usually distributed by age categories of 14-15, 16-19, and 20-21 years old) and to ensure a fair distribution of slots among male and female applicants. Some areas gave special targeting attention to pregnant teenagers.

- Recruitment - Information on the potential availability of SYEP slots was widely publicized by Prime Sponsors in FY83 and was designed to reach as many of the eligible youth as possible.
- For in-school youth, posters, fliers, notices to teachers, and enrollee applications were generally distributed to all local schools or school districts within the Prime Sponsor's jurisdiction.
- All media channels were also used, with publicity devices ranging from press conferences and announcements at local mayor's offices to public service announcements and ads on local TV, radio, newspapers, and, in some areas, buses and billboards.
- Many Prime Sponsors utilized Job Service offices, sometimes under contract, to help recruit applicants, although the use of Job Service offices in other areas was reported to be minimal.
- There was widespread use of various CBOs and ethnic organizations--Black, Hispanic, Indochinese, and others--for recruitment purposes.
- In some instances, Youth Job Fairs operated by local employer groups or PICs were used to attract both in-school and out-of-school applicants, as well as employer support for the program.
- In cases where there were applicant shortfalls, they appeared to be centered among:
  - out-of-school youth (dropouts or graduates) who may not have received adequate information about the program despite the extensive publicity campaign; or
  - some welfare recipient groups.

C. SERVICESTJTC Summer Youth Study (16)

° In some sites, delays of several weeks were reported in the issuance of certifications after an employer declaration was received at the State office. The apparent reasons for the delays were staffing shortages and a lack of automated information systems for matching employer declarations with vouchers although employers were able to claim the tax credit as of the day when the request for certification was filed.

° A common problem encountered in a number of sites was ensuring that employers had filed their requests for summer youth TJTC certifications by the time the jobs begin. Despite efforts by the Job Service and other agencies to publicize this requirement, many employers apparently had difficulty in understanding the provision.

° Respondents reported a number of problems with the 45-day expiration period for TJTC summer youth vouchers:

- The 45-day limit makes it difficult to plan early for the program. Since many of the eligible youth are in school, they are usually not able to find jobs until late in June at the earliest. Vouchering youth prior to about May 15, therefore, is usually not practical.
- Vouchering activity has to be concentrated in a short period of time, resulting in staffing problems for the Job Service.
- Youth who do not find jobs in the 45-day period often have to be revouchedered. It would be more feasible, according to some respondents, to extend the voucher expiration period to September 15 in all cases.

° The case file data collected as part of the study indicate that the retail trade provided about 55 percent of the jobs held by TJTC summer youth in the 18 sites, while "manufacturing" (14.6 percent), "finance, insurance, and real estate" (10.0 percent), and "services" (13.3 percent) provided most of the remaining jobs

° On a more specific level, the data show that "Eating Places" accounted for 38.3 percent of all the jobs. Most of these employers were fast-food restaurants. Grocery stores provided 7.6 percent of all the jobs.

° Although manufacturing industries provided 14.6 percent of all the jobs, most of the positions were in light industry. About one-quarter of the manufacturing jobs were supplied by jewelry makers, while newspapers and electronics firms each provided about 10 percent of the manufacturing jobs. In addition, as indicated below, many of the positions supplied by manufacturing firms consisted of nonmanufacturing jobs, such as janitorial, clerical, and warehousing positions.

° The positions provided by banks and insurance firms were primarily clerical, while the positions provided by real estate operators usually consisted of cleaning and groundskeeping. Automotive service and sales industries were one of the leading hirers of the TJTC summer youth. In combination, car dealers, gas stations, car washes, and garages accounted for almost 5 percent of all the jobs.

° On-site interviews with TJTC officials confirmed that heavy manufacturing firms did not play a significant role in hiring TJTC summer youth. First, State safety laws often prohibit the use of 16 and 17 year old youth in potentially dangerous jobs. Second, many manufacturing industries are heavily unionized.

### SYEP Study (15)

° At the sites observed, enrollees had plenty of useful work to do. They appeared to be kept busy on work-related tasks during most of the scheduled work period:

- There seemed to be strict enforcement of time and attendance procedures;
- Equipment available was generally appropriate and sufficient for assigned work activities;
- Little or no time was spent on recreational activities except at sites involving the supervision of recreational activities for younger children;
- Enrollees generally appeared to do their jobs willingly and showed cooperative attitudes toward their supervisors and other workers; and
- Discussions with Regional Office, Prime Sponsor, and program operator staff implied such experiences were typical of SYEP programs under their jurisdiction.

◦ Work hours of SYEP enrollees and duration of the program varied by Prime Sponsor and individual work site, probably reflecting the availability of program resources in relation to the number of eligible youth. In some cases, work hours were also set according to age levels of participants. Generally, hours ranged between 20 to 32 weekly, with program durations set at 6 to 8 weeks.

◦ Most SYEP enrollees were paid the minimum hourly wage, although some older enrollees in more responsible positions were paid slightly more. As a general policy at most SYEP programs, enrollees' pay was docked for tardiness or unexcused absences --a policy of "no work, no pay." Enrollees that were frequently tardy or those with too many unexcused absences were usually terminated from the SYEP.

◦ In both public agency and private nonprofit sites in FY83, a considerable portion of SYEP enrollees were still placed in cleaning and maintenance activities or in general clerical/office work positions.

- However, a wide spectrum of other occupations ranging from various service activity aides to fairly responsible paraprofessional jobs were also represented in FY83 SYEP programs.

◦ On the other hand, while SYEP work sites appeared to be providing useful "real job" situation work experience, the jobs provided--particularly in the clean-up occupations--often did not appear to be too meaningful in terms of local labor market employment prospects.

◦ In all of the observed SYEP sites, work activities performed were meaningful, as noted earlier, in the sense that they had a defined and visible purpose and end result, and the work contributed specific benefits to the community, as well as work experience in a "real job" situation to the enrollee.

D. RESULTS

SYEP Study (15)

° A major conclusion of the study is that additional resources appear to be necessary to support TJTC marketing efforts at the State and local level. Widespread use of the TJTC for summer youth will probably not occur unless effective and well-supported promotional campaigns are undertaken. Among the additional resources that might be made available are the following:

- Increased resources for the PICs or State and local Job Service offices to sponsor TJTC marketing campaigns.
- Technical assistance to jurisdictions to assist them in conducting effective marketing of the summer youth tax credit.
- ° Regional office constraints on the Fiscal Year 1983 SYEP:
  - Late issuance of SYEP allocations adversely impacts planning process.
  - Limited Regional Office staff resources to conduct technical assistance monitoring.
  - Some Regionals tried to serve more youth by shortening either work hours or program duration.
- ° Reported SYEP Improvement Actions:
  - Intensive monitoring by summer interns.
  - Issuance of regional policy letters to prime sponsors.
  - Groundwork laid for future involvement of private sector on a large scale.
  - More effective controls have been implemented as a result of audits.
- ° Because of budget cutbacks:
  - Prime sponsors are becoming more selective in choosing quality work sites, and policies and procedures at work sites have been more clearly stated in agreements.
  - More care taken to ensure equitable selection of participants.

The YEDPA Years (10)

° Attempts should be made to restructure some elements of the Summer Youth Employment Program to systematically test whether SYEP elements can be used to enhance basic education sufficiently to reduce school dropout rates or, at least, improve employment chances for those who do drop out anyway. Elements of SYEP could be structured so some skills training is added to the pure work experience in order to determine whether such training enhances the long-term employment effects of the program.

TJTC Summer Youth Study (16)

- ° The study's major findings were as follows:
  - there was considerable variation among sites in the level of TJTC promotional activity and in the types of marketing techniques used;
  - in many sites, efforts to market the summer youth TJTC program were not based on effective promotional techniques and were not adequately financed;
  - the Job Service had limited resources to promote the program effectively;
  - there was considerable variation among sites with regard to the level of outreach efforts targeted at eligible youth;
  - the percentage of white youths who found jobs after being vouchered was generally higher than the percentage of non-white youths;
  - the new program did not add measurably to Job Service paperwork;
  - several problems were reported with the 45-day voucher expiration period;
  - most of the TJTC summer youth jobs consisted of unskilled positions in the retail trade and service industries--the jobs provided work experience, but little occupational training; and
  - most respondents predicted a higher volume of summer youth TJTC activity in 1984, when organizations will have more time to plan the program.

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**IX. JOB CORPS PROGRAM**

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## IX. JOB CORPS PROGRAM

A. COST-BENEFIT SUMMARYEconomic Impact of Job Corps (11)

° The estimated effects of Job Corps on former participants' postprogram behavior are generally consistent with hypothesized economic impacts and the important program goal of improving corpsmembers' economic prospects. During the first four postprogram years, we find that Job Corps is at least moderately successful overall in achieving its desired effects:

- Increasing employment and earnings,
- Improving future labor-market opportunities through work experience, military service, higher education and training, better health, and geographic mobility,
- Reducing dependence on welfare assistance and other public transfers, and
- Reducing criminality.

° The major findings include:

° Employment and Earnings. In the first four years out of the Job Corps, corpsmembers on the average earned over \$600 per year (15 percent) more than their comparable nonparticipants and were employed over three weeks more a year.

° Other Benefits. The Job Corps participants also improved their future earnings ability by obtaining more high school diplomas or their equivalent (27 percent more) than the comparison group, more attendance at vocational or technical schools and more enrollments in college. Significantly more participants also went into military service than did comparison group members.

° The corpsmembers also had fewer serious health problems and were less dependent on welfare (2 weeks less a year) and unemployment insurance (nearly 1 week less a year). As to crime, arrest records show erratic change and no overall effect on arrests, but there was a significant shift from more to less serious crimes among corpsmembers.

° Subgroup Differences. There is strong evidence that longer stay in the program is associated with greater postprogram gains: Completers made significantly greater gains than comparable nonparticipants, far above the overall average, while partial completers made small gains and early dropouts experienced little or no gains over their counterparts.

° There were notable differential impacts by sex: Females without children tended to have larger gains in earnings, education, health, and reduction in welfare. While males had larger impacts in probability of being in military service and in reduction of unemployment benefits. Females with children before or after Job Corps participation had little gain.

° Stability of Gains. The overall gains experienced by corpsmembers gradually built up during the initial months out of Job Corps, and then persisted fairly stably for most of the four-year postprogram period. Toward the end of this time period, the gains showed more movement both up and down for different impact measures and participant groups, and these fluctuations limit ability to project reliably the degree of continuing impact beyond the four-year follow up period.

° Benefits vs. Costs. The program's economic benefits to society are estimated to be about \$7,400 per participant (in 1977 dollars) compared to costs of \$5,000, thus yielding a return to society of 46 percent. It is estimated that the social investment is paid back in about three years after a corpsmember leaves the program. (These estimates are based on certain assumptions, but the report examines alternative assumptions as well and concludes that benefits exceed costs under most reasonable assumptions, because costs are recouped in the observation period).

° In terms of size and statistical significance, some of the most noteworthy effects of Job Corps on the behavior of former participants are (on a per-Corpsmember basis, including military jobs, and averaged over the four-year observation):

- an increase in employment of over three weeks per year
- an increase in earnings of approximately \$655 per year and over a 15 percent increase (controlling for nonlinear time trends)
- a very substantial increase in the probability of having a high school diploma or equivalent degree (a fivefold increase)
- higher college attendance
- a decrease in high school attendance associated with the effect of high school degree obtained in Job Corps
- better health, with a reduction in serious health problems of an average of over one week per year
- a reduction in the receipt of financial welfare assistance, amounting to an average of over two weeks per year.

° We believe that the most prudent conclusion about the longevity of the Job Corps effects is that the effects persist at a relatively stable rate from approximately three months after termination until the end of the four-year observation period; beyond that point, our ability to extrapolate is very limited.

° Furthermore, for males--the largest group of Corpsmembers (70 percent of all Corpsmembers)--we have adequate observations to extend our analysis further, from 48 to 51 postprogram months; we find a significant upturn in the estimated effects for males for both employment and earnings during that time period.

° We also find differential program impacts among categories of program completion. A substantial, positive correlation exists between the estimated Job Corps impacts and the proportion of the Job Corps program completed.

° Program completers consistently benefit the most, particularly in terms of employment, earnings, and welfare dependence.

° The impact estimates for youths who complete the program are generally more than twice the overall program average. In contrast, early program dropouts appear to benefit little or not at all.

° A comprehensive evaluation of the social benefits and costs of the Job Corps program suggest that the program is a worthwhile public investment. Our benchmark estimate is that in 1977 social benefits exceed costs by over \$2,300 per Corpsmember (nearly \$3,500 in 1982 dollars), or, equivalently, by approximately 45 percent of costs.

° Because over 40,000 youths enrolled in Job Corps during Fiscal 1977, our benchmark estimate of the net social benefit for the entire program exceeds \$90-million for the year.

° Over 50 percent of the estimated social benefits are derived from increases in the value of output produced by Corpsmembers. Another 40 percent of the social benefits are attributable to reduction in criminal activities among Corpsmembers, particularly murder, robbery, and larceny (including very large reductions during the program).

° In assessing the distribution of the benefits and costs, we find a net transfer from non-Corpsmembers as a group (everyone in society other than Corpsmembers) to Corpsmembers:

- The primary economic benefits to Corpsmembers are derived from increased earnings (approximately 70 percent of the benefits) and transfers they receive while in Job Corps.

- The primary economic benefits to non-Corpsmembers are derived from reductions in Corpsmembers' criminal activities, Corpsmembers' reduced use of transfer programs, and increased tax payments.
- The estimated timing of benefits suggests that the average social investment per Corpsmember is paid back in approximately three years. Counting only the estimated benefits for the observation period (the first four postprogram years), Job Corps has an internal rate of return of approximately 18 percent (i.e., under the assumption that no further benefits occur after that point).
- Alternative benefit-cost estimates are made for a wide range of assumptions. A sensitivity analysis based on this range of alternatives generally confirms that Job Corps is an economically efficient program. As long as displacement in the labor markets that Corpsmembers enter is not severe and the observed crime reductions are minimally valued, Job Corps is estimated to be an economically efficient investment.

**B. PROCESS SUMMARY****Job Corps Process Analysis (12)****° Job Corps Recruitment and Screening:**

Job Corps recruitment/screening agencies, operating under contract to the Job Corps Regional Offices, were found to vary significantly in the nature and extent of their outreach activities. Public agencies such as the State Employment Security Agencies (SEAS) generally conducted limited outreach activity and relied extensively on "walk-in" traffic to recruit applicants. In contrast, private (nonprofit and for-profit) agencies generally allocated a significant amount of effort to outreach activity.

° As a reflection of the limited outreach activity of the SEAS, a large percentage of the youth who are recruited into Job Corps by the SEAS already know about Job Corps from their peers and have decided to apply for admission even before they show up at the local ES office. As a result, there may be some degree of "self-selection" in terms of the types of youth who choose to enroll in Job Corps. Specifically, it is likely that many of the youth recruited by the SEAS are more motivated to enhance their employability skills than the average member of the eligible population.

° Another factor that suggests the existence of a possible self-selection bias in Job Corps enrollments is the extensive reliance by many of the recruitment agencies on newspaper advertising as an outreach technique. It is reasonable to assume that youths who regularly read newspapers may not be typical of the overall Job Corps eligible.

° The rationale for the residential basis of Job Corps is that many disadvantaged youth are living in disruptive home environments or neighborhoods. Interviews with recruitment and screening officials indicated that screeners were not uniformly or systematically applying the five eligibility criteria that are designed to reflect whether an applicant needs a residential program.

° In addition, screeners did not generally have sufficient information about the applicant's home environment to make a reliable determination of eligibility. Few of the screening agencies routinely conducted visits to the applicant's home to determine whether the eligibility criteria applied.

° Several of five eligibility criteria designed for use in determining an applicant's need for a residential program are vaguely defined. For most of the criteria, recruitment/screening agencies did not have the expertise or resources to make a determination about individual applicants.

° Instead of determining the applicant's need for a residential program, recruitment/screening agencies typically focused upon the more specific eligibility criteria such as age, family income, and school status. In addition, screeners gave great emphasis to the "suitability" of applicants for Job Corps. In assessing "suitability," screeners generally took into account the applicant's motivation, the likelihood that the youth would be able to adjust to a residential program, and any behavioral problems that might result in early termination.

° A primary concern of Job Corps recruitment agencies was to meet their recruitment quotas and to minimize the number of early terminations among their recruits. Few incentives exist to refer applicants to alternative (community-based) programs.

° Because of the confidentiality of juvenile court records, some recruitment agencies continued to experience problems in screening out youth with histories of serious criminal activity. Most recruitment agencies had to rely primarily upon applicants to disclose details of their juvenile offense records.

° There was significant variation among recruitment agencies with regard to the accuracy and completeness of the information provided to applicants about individual Job Corps centers. Recruiters generally had reliable information about the vocational training programs at each center, but often lacked sufficient information and understanding about center living conditions and facilities. Officials at several Job Corps centers reported that some recruiters were not adequately informing applicants about group living arrangements, the lack of privacy, the disciplinary system, and the regimented nature of the Job Corps program.

° While recruitment agencies were generally meeting their recruitment quotas, many agencies reported a continued problem with recruiting sufficient numbers of females and rural youth.

- **Job Corps Basic Education Program:**

- While the Job Corps program is theoretically targeted at high school drop-outs, about 22 percent of youth enrolled in FY 1984 had completed 12th grade prior to entry into Job Corps. At some of the sample centers, 40 percent or more of new enrollments had already completed 12th grade. Many of the high school completers, however, did not have adequate reading and math skills.

- The population of youths entering Job Corps is not homogeneous with regard to educational background and reading skills. Significant variations were found among Job Corps centers and among different regions of the country with regard to the educational attainment and reading level of new enrollees.

- The large majority of the centers visited during the study reported few, if any, problems in recruiting sufficient numbers of teachers for the Basic Education program. In addition, no significant staff shortages were reported by any of the centers visited.

- At centers operated by private contractors, the salaries and benefits of teachers were much lower than those of teachers at the federally operated Civilian Conservation Centers (CCCs). In addition, teacher salaries at the contract centers were not competitive with local public school salaries. Despite this situation, turnover among teachers at the contract centers was not reported to be a major problem.

- At most of the CCCs, where teachers are civil service employees, the relatively high teacher salaries had produced a situation in which virtually no turnover was occurring. At some CCCs, low turnover had resulted in morale problems because of the lack of opportunity for advancement at the junior levels.

- The sample centers were in compliance with Job Corps guidelines concerning the entry diagnostic testing of new enrollees to determine their reading and math skills. However, at some centers, instructors questioned the reliability of some of the entry tests.

- In spite of Job Corps guidelines that corpsmember schedules be designed to minimize boredom and maximize the retention of material, only nine of the sample centers followed a "split day" schedule in which corpsmembers divided their day between basic education classes and vocational training. Six of the centers relied entirely on an "alternating week" schedule in which corpsmembers spent a full week in academic classes, followed by a full week of vocational training. Other centers combined a "split day" and "alternating week" schedule.

◦ The use of an "alternating week" schedule was typically justified by centers in terms of the needs of vocational training instructors (particularly the national contractors) for efficient utilization of workshop resources. However, officials at several centers reported that the "alternating week" schedule caused problems for many enrollees because of short attention spans and difficulties retaining academic material.

◦ No major problems were found with the operation of the "maximum benefits" system to evaluate corpsmember progress in the basic education programs. Individual teachers, not the Progress/Performance Evaluation Panels (P/PEPs), were the primary mechanism for assessing corpsmembers progress and making changes in class assignments.

◦ No major problems were reported by the sample centers in following the prescribed "individualized, self-paced" approach to basic reading and math classes.

◦ At most of the sample centers, efforts to integrate the basic education curriculum with the Vocational Training Program were informal and limited in scope.

◦ A few centers reported problems in utilizing the recommended Job Corps reading program materials. Some of the prescribed materials for corpsmembers with very low reading skills were reportedly demeaning to enrollees.

◦ A major goal of the Job Corps basic education program is to prepare eligible youth to obtain a high school equivalency certificate (GED). While centers reported few problems in implementing the recommended Job Corps GED curriculum, a relatively small percentage of corpsmembers actually obtained GEDs at the centers. Specifically, only 16 percent of corpsmembers admitted during FY 1984 took the GED tests during their stay in Job Corps.

◦ Part of the reason why few enrollees took the GED tests was that many of the enrollees terminated before they could take the GED tests. Another factor was that a large percentage of enrollees had very low academic skills at entry and were not able to attain the competencies necessary to pass the GED tests.

◦ All centers reported that corpsmember preference was the major factor in assigning enrollees to individual vocational clusters. However, many centers reported that enrollees could not always be assigned immediately to their first choice because of problems of slot availability. Additionally, corpsmembers with serious reading/math deficiencies or health conditions were often counseled against selecting specific trades.

° Case record data indicate that, in general, corpsmembers enrolled in clerical and health occupation clusters were typically older, were more likely to have completed high school, and had higher entry reading skills than corpsmembers enrolled in other clusters.

° Vocational training instructors generally had a great deal of flexibility in how they taught their courses. Although the recommended Job Corps training guides were in use at most centers, they were often substantially modified and supplemented by instructors.

° Overall, most centers were reported to be adequately equipped with vocational training tools and equipment. In general, the larger centers had more and better facilities and equipment than the smaller centers.

° Only about one-half of the sample centers had effectively established formal policies and procedures for evaluating and updating vocational offerings in the context of occupational demand and supply. The large centers typically had the most systematic procedures for reviewing trade offerings.

° Many smaller centers reported that the process of updating vocational offerings in response to changing labor market conditions was difficult because of the substantial investments required in new equipment and shop facilities.

° All of the CCCs and most of the contract centers in the sample operated Vocational Skills Training (VST) projects involving the construction, rehabilitation, and maintenance of buildings or other facilities. However, off-center projects were reported to be difficult to arrange because of community concerns that such projects would displace local workers.

° **Residential Living Program:**

° At 14 of the sample centers, the residential living component was a single organizational entity, with a manager reporting to the center director or deputy director. At the other nine centers, one or more residential living functions was a separate unit or part of another center program component. The ratio of corpsmembers to residential living staff at the centers was relatively consistent and in line with DOL guidelines.

° Most centers reported that current staffing levels in the residential living program were adequate. However, nine contract centers reported a high rate of turnover among Residential Advisors (RAs).

° Centers showed little variation in the qualifications required for counselors, with each requiring at least a bachelor's degree in counseling or a related discipline. There was considerable variation among centers, however, in the qualifications required for RAs.

◦ The physical layout of dormitories at the centers varied from a barracks-type arrangement to college dorm-type rooms. The number of corpsmembers in a room varied from 2 to 42, with 8 or less being the most common. Some centers reported that Job Corps recruiters did not always adequately inform enrollees about center dormitory arrangements.

◦ Major differences existed between the CCCs and the contract centers with regard to the role of counselors. Counselors at CCCs did not have an assigned caseload, but saw enrollees only upon request or referral. The CCC counselors tended to be involved mostly with vocational counseling and P/PEPs. At the contract centers, the counselors typically had assigned caseloads encompassing all enrollees.

◦ **Health Services:**

◦ Respondents at about one-half of the sample centers reported that medical/mental health screening by recruitment agencies needed to be improved. Screening for mental health conditions and pregnancy was noted as a particular problem. However, despite their criticism of the medical screening process, most center health staff reported that only a small percentage of new enrollees had health conditions that limited their participation in the program.

◦ Most of the sample centers had established special programs for enrollees with substance abuse problems. The content and format of the programs varied considerably among the centers. but most were coordinated by a counselor from the residential living program.

◦ Health officials at centers reported that they typically made every effort to avoid medical terminations of enrollees. However, centers generally terminated an enrollee if it was believed that he/she could not benefit from Job Corps because of a health condition, or if the centers felt that they did not have the resources to handle the problem. In FY 1984, only 2.4 percent of total terminations were medical terminations.

◦ **Center Administration and Management:**

◦ In addition to the performance measures prescribed by the Job Corps National Office, most of the contract centers in the sample had established corporate goals that were more detailed and stringent than the National Office goals. A number of centers reported difficulty in meeting the national standard for the utilization rate, particularly because of difficulties recruiting female applicants.

° Each center had established a disciplinary system incorporating the major components required by Federal regulations and guidelines. However, centers varied in their reliance upon informal counseling as opposed to formal disciplinary action. In addition, there was some variation among centers in the types of penalties prescribed for the same offense. Respondents at some centers also reported inconsistency in the disciplinary actions taken by different staff members within the center.

° All centers had instituted systems for monitoring class attendance by corpsmembers. The monitoring of class attendance at the CCCs was generally somewhat less formal than at the contract centers.

° **Length of Stay and Early Termination Among Job Corps Enrollees:**

° In FY 1984, a total of 16,363 (28.4 percent) of the 57,606 corpsmembers who terminated from Job Corps did so after being in the program for less than 90 days. Such corpsmembers are regarded by the Job Corps National Office as "noncompleters" who probably derived little, if any, benefit from the program. Substantial costs were incurred in recruiting these enrollees, transporting them to the centers, and providing them with program services during their stay in Job Corps.

° Interviews with center officials suggest that the most common reasons for early dropout by enrollees were homesickness and difficulty adapting to center life, including coping with the lack of privacy and adjusting to the regimentation of the center. Racial conflicts and assaults were also reported to be a factor in early drop-out among corpsmembers at some centers. Respondents at more than one-half of the centers believed that Job Corps recruiters were not adequately informing applicants what to expect when they arrive on-center.

° All centers had instituted at least some measures to counteract the problem of early drop-out by enrollees. These measures included big brother-big sister programs, extra counseling sessions for enrollees who wished to leave, and telephone calls to prospective enrollees to ensure that they understood the Job Corps program before they arrived. Some centers, as indicated, utilized orientation dorms.

° Analysis of the Mainstream Master File data indicated that early terminations were more common among some groups of enrollees than others. These groups included: 16 to 17 years old, whites, enrollees who had not completed 12th grade, and residential (as opposed to nonresidential) corpsmembers.

◦ It was also found that the early termination rate among whites at predominantly black centers was higher than the rate among whites at the more ethnically mixed centers. The analysis also showed that younger corpsmembers were less likely to receive promotions or complete leadership training. In addition, corpsmembers with less than a 12th grade education and individuals with poor reading skills at entry were more likely to have a disciplinary citation than other corpsmembers.

◦ **Job Corps Placement Services:**

◦ The overall Job Corps placement rate, as computed by the National Office, includes all "positive outcomes" among terminees, including job placement (whether training-related or not), self-placement by the corpsmembers, entry into a college or training program, and entry in the Armed Services. The placement rate includes youths who stayed in the program for less than 90 days, as well as youths who stayed longer. In FY 1983, the overall placement rate was computed as 82.4 percent.

◦ A major problem with the official Job Corps placement rate is that placement records are not received for approximately one-third of all terminees. The placement rate of 82.4 percent assumes that terminees without known outcomes had the same placement experience as those with complete records. In FY 1983, for example, the National Office was able to confirm a positive outcome (placement) for only 51.6 percent of all terminees. Placement records were not received for 31 percent of the terminees, 6 percent were reported as "not available for placement" because of illness or family responsibilities, and 11 percent were reported as not placed.

◦ The placement assistance provided to Job Corps terminees by the SESAs under contract to the Regional Offices was typically the standard service available to any Job Service applicant. More intensified services were provided only if successive placement efforts through regular Job Service channels had failed to produce a placement.

◦ The private agencies providing contract placement services did not have all of the resources of the SESAs but provided more mobile and personalized services to terminees, and relied more extensively on linkages with community resources.

◦ **Job Corps Operating Costs:**

◦ The total cost of the Job Corps program in FY 1984 was approximately \$600 million or about \$15,000 per year of service provided to corpsmembers. Center costs comprised \$11,000 per corpsmember year, while additional services (e.g., recruitment and placement) totaled \$4,000 per corpsmember year. The costs per corpsmember year of individual centers varied greatly from the \$11,000 average, ranging from a low of \$8,300 to a high of nearly \$20,000.

° Of the \$442 million allocated to center costs, about 30 percent (\$132 million) was accounted for by the residential living component of Job Corps. The component included clothing, food, recreation, residential living operating expenses, and residential living staff salaries. About 6 percent was spent on basic education and 14 percent on vocational training.

° In FY 1984, net operating costs per corpsmember year were \$13,182 at the CCCs and \$10,027 at the contract centers, a 30 percent difference. CCCs are considerably more expensive to operate than contract centers, even when controlling for size and some other factors affecting cost.

° Average operating costs were much lower at the larger contract centers than at the smaller contract centers, indicating substantial economies of scale. Shifting a larger share of the program's total capacity to large and medium-size centers may result in large savings in the operating cost for a given number of slots.

**X. OCCUPATIONAL OUTLOOK**

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## X. OCCUPATIONAL OUTLOOK

A. OCCUPATIONAL TRAININGHow Workers Get Their Training (20)

- ° About 55 percent of all workers employed in January 1983 indicated that they needed specific training to qualify for their current job. About one-third of all workers had taken skill improvement training after obtaining their current job.
- ° Many workers had both qualifying training and training to improve their skills; about 72 percent of those who needed training to obtain their jobs subsequently trained to improve their skills.
- ° Among major occupational groups, the proportion of workers who reported needing training to get their jobs varied widely. In professional specialty occupations, 93 percent of the workers needed training, compared to only 8 percent of the workers in private household occupations.
- ° With regard to skill improvement, the proportion who took training ranged from 61 percent in professional specialty occupations to 3 percent in private household occupations. The kind of training taken also varied.
- ° School and informal on-the-job training (OJT) were the most common sources of both qualifying and additional training. About 29 percent of all workers obtained qualifying training in school and 28 percent obtained it on the job. OJT was used to improve skills by 14 percent of all workers; school programs, by 12 percent.
- ° College programs that lasted 4 years or longer provided qualifying training to more workers than all other school categories combined. About 16.1 million people or 17 percent of all workers reported training from college programs. Strikingly, just five occupations accounted for one-fourth of the total: Elementary school teacher, secondary school teacher, registered nurse, lawyer, and physician.
- ° Junior colleges and technical institutes were major providers of qualifying training for workers in many health occupations, including inhalation therapists, dental hygienists, radiologic technicians, and licensed practical nurses. Many police and detectives, firefighters, and real estate sales workers improved their job skills through courses in junior colleges and technical institutes. These schools also were a more important source of skill improvement for secretaries than other schools.

° Only 2.2 percent of all workers used training from private post-high school vocational programs to get their jobs; the proportion who used training from public post-high school programs was even smaller--1.6 percent.

° Although only about 5 percent of all workers qualified for their jobs with training from high school vocational programs, these programs were a very important source of training for workers in administrative support occupations, including clerical. About 35 percent of the secretaries obtained their jobs with skills from such programs.

° By far the most important source of qualifying training other than school was OJT, which was mentioned even more often than school as a way that skills were improved. It was used to gain qualifying skills by 50 to 60 percent of the workers in such diverse occupations as legal assistant, actor, upholsterer, and editor and reporter.

° Formal company training programs such as apprenticeship training or other types of training having an instructor and a planned program were mentioned by only 11 percent of all workers.

° About 3.2 million people or 3 percent of all workers got their jobs because of informal training from a friend or relative or other experience unrelated to work. Almost one-third of all workers who reported this category of training were in precision production, craft and repair jobs. A relatively high proportion of workers in some large occupations, such as farmer, carpenter, and automobile mechanic, learned their skills in this way.

° Military service provided training to gain job qualifying skills for only 1.9 million people or 2 percent of all workers.

° Correspondence courses were the least significant method of job training, but they were reported by more than 12 percent of the repairers of commercial and industrial electronic equipment.

° Specific training was a prerequisite for the jobs of 71 percent of the 10.8 million workers in the executive, administrative, and managerial group.

° College programs that lasted 4 years or longer were the principal source of schooling for almost all managerial occupations. These programs were reported by 34 percent of the workers in the group.

- Three-fourths of the education administrators and two-thirds of the accountants and auditors indicated that they received needed job training in these programs, as well as almost one-half of the financial managers, management analysts, and medicine and health administrators.

- In many occupations, the number of workers reporting OJT and the number reporting school were fairly close, each category usually representing about two-fifths to three-fifths of total employment in the occupation.

- **Professional specialty occupations.** About 93 percent of the 12.7 million workers in these occupations indicated that they needed some kind of training to qualify for their jobs, the largest proportion of any occupation group. Almost 82 percent of the workers in the professional group learned the necessary skills in school, compared to only 29 percent of the workers in all occupations.

- **Private household occupations.** Only 8 percent of the 16 million workers in this group needed specific training to get their jobs, the lowest proportion of any occupation group.

- **Service workers, except private household.** About 36 percent of the 1.4 million workers in this occupation group needed specific training to qualify for their jobs, a relatively low figure. People in three occupations, however, reported needing training in much higher proportions than the average: Health service workers, protective service workers, and personal service workers.

- Training was very important for obtaining jobs in some personal service occupations. It was necessary for almost all of the hairdressers and barbers, and almost three-fourths of the public transportation attendants.

- **Farming, forestry, and fishing occupation.** About 28 percent of the 3.1 million people in this group needed specific training to qualify for their jobs, about half of the average for all workers. Only one source of training - friends and relatives - was mentioned more often than average, and it was identified much more often. Skill improvement training was also relatively low for this group.

- **Precision production, craft, and repair occupations.** Qualifying training was necessary for 65 percent of the 11.7 million people employed in this diverse occupational group, somewhat greater than the average for all workers. All sources of training except school exceeded the average for all workers.

- Training was very important for some mechanics and repairers. About nine-tenths of the data processing equipment repairers and the office machine repairers needed it to qualify for their jobs. Among the building trades, it was most important for electricians and plumbers. Training also was a requirement for relatively large proportions of tool-and-die makers, machinists, upholsterers, and power plant operators. On the

other hand, most electrical and electronic equipment assemblers did not need special skills to get their jobs.

- OJT was the most frequent method of training.
- **Machine operators, assemblers, and inspectors.** Almost 37 percent of the 7.4 million workers in this occupation group needed specific training to qualify for their jobs, a lower proportion than the average for all workers. Workers in the machine operator, assembler, and inspector group were about as likely as all workers to acquire their jobs as a result of OJT or learning skills from friends and relatives, but were less likely to obtain their jobs because of other training .
- For those who needed training, OJT was the principal method of acquiring qualifying skills in every occupation in the group.
- Skills improvement training was reported by 22 percent of all workers in the machine operator, assembler, and inspector group. OJT was by far the most significant source of skill improvement training.
- **Transportation and material moving occupations.** Training requirements for the 4 million workers in this occupational group were similar to those for workers in the machine operator, assembler, and inspector group discussed above. Most who needed training acquired it informally on the job. Formal training methods were generally of secondary importance, but almost one-third of the bus drivers did mention such programs.
- Relatively few of the workers in transportation and material moving occupations had trained to improve their job skills; but, again, formal company training programs were reported by a relatively large proportion of the bus drivers.
- **Handlers, equipment cleaners, helpers, and laborers.** Only 16 percent of the 3.7 million workers in this occupation group had to have a specific training to get their jobs.

B. PRIVATE SECTOR DEMANDWestat SDA - Transition Year (5)

° The private sector is the source of most new job opportunities, also:

- The connection between private and public sector will improve chances of placing people in the private sector
- It will help build the private sectors awareness or/and commitment to job training programs.
- It will provide a greater emphasis on efficiency rather than equity.
- The private sector will have less concern with the political ramifications of decisions than the public sector.

The Role of Small Business (21)

° The Small Business Job Record Before discussing job training, you must first know where the emerging job market is:

- Small businesses create most of the new jobs in America.
- During 1981 and 1982 recession, firms with fewer than 20 employees played a key role in the recovery, creating nearly one million net new jobs.
- At least half of the 6.25 million new jobs created in the U.S. in the last 18 months are in small firms.
- D & B forecasts continued employment rise throughout 1984 and estimates 3 million new jobs by this year--over one-third will come from small companies.

° Small firms provide two-out-of-three new workers with their first jobs. The service and retail sectors are the traditional doorways to the job market for young and unskilled workers.

° "Who could have predicted 15 years ago that office and business services would become one of the fastest growing markets in the 1980s? Today, this sector is a major provider of new jobs for the economy."

• "The recently enacted Job Training Partnership Act seems to put the emphasis on the right place. Under this law, private industry councils at the local level draw up retraining programs for unemployed and displaced workers in their own communities. It is the local employer--along with a public agency--that decides the kind of training that will lead to the most productive jobs."

• A recent, preliminary survey conducted by the National Alliance of Business reveals that small firms are heavily represented on the private industry councils. Making up an overwhelming majority of business representatives, small firms have a very strong voice on these councils. They determine the job training needs and where and how they will be met. This seems a more appropriate approach than the one used by the Government during the heyday of the big jobs programs.

• To be effective, a job tax credit plan should have three basic goals:

- First, it should provide concrete incentives to an employer for investing in human rather than capital assets;
- Second, it should act as an incentive to new, incremental hiring rather than a subsidy to base employment;
- Third, a tax credit should provide incentives to firms to train unskilled and semi-skilled jobseekers.

• "Deregulation has created new employment and business opportunities among small firms, especially in the financial, communications, and transportation industries. As a consequence, thousands of new jobs have been added to the economy."

• "There should be an active Federal policy on job creation and training: the job creation should be left to the private economy with the Federal government producing stable monetary and fiscal policies. Federal policies on job training must stress the utilization of smaller firms in job training. Indirect incentives such as tax incentives and credits to smaller employers are going to be more flexible, simpler to use and ultimately less expensive than new Federal programs directed by economists and administrators in Washington, D.C."

C. DISLOCATED LABOR SUPPLYDisplaced Workers of 1979-83 (22)

° A total of 11.5 million workers 20 years of age and over lost jobs because of plant closings or employment cutbacks over the January 1979-January 1984 period. Those who had worked at least 3 years on their jobs--the focus of this study--numbered 5.1 million.

° About half of the 5.1 million workers reported they had become displaced because their plants or businesses closed down or moved. Two-fifths reported job losses due to "slack work" (or insufficient demand), and the rest said their shifts or individual jobs had been abolished.

° About 3.5 million of the displaced workers had collected unemployment insurance benefits after losing their jobs.

° Nearly one-half of these reported they had exhausted their benefits.

° Many no longer had health insurance coverage, including some who subsequently found work.

° Of the 5.1 million displaced workers, about 3.1 million had become reemployed by January 1984, but often in different industries than in the ones they had previously worked. About 1.3 million were looking for work, and the remaining 700,000 had left the labor force.

° Of the 3.1 million displaced workers who were reemployed, about half were earning as much or more in the jobs they held when surveyed than in the ones they had lost. However, many others had taken large pay cuts, often exceeding 20 percent.

° Blacks accounted for about 600,000 of the 5.1 million displaced workers, and Hispanics made up 300,000. The proportion reemployed as of January 1984 was relatively small for both of these groups--42 percent for Blacks and 52 percent for Hispanics. Conversely, the proportions looking for work were relatively high--41 percent for Blacks and 34 percent for Hispanics.

° **Age-sex-race-Hispanic origin.** As shown in table 1, men 25 to 54 years of age accounted for nearly 2.6 million of the displaced workers, or slightly more than one-half. There were 200,000 men age 20 to 24, about 460,000 men 55 to 64, and 90,000 in the 65-and-over group. The younger the workers, the more likely they were to have found new jobs after their displacement.

• **Industry and occupation.** Nearly 2.5 million of the displaced workers, or almost one-half of the total, had lost jobs in manufacturing, an industry group that now accounts for less than one-fifth of total employment.

• **Regional distribution.** While displaced workers were found in all regions of the country, a particularly large number (about 1.2 million) was found to reside in the East North Central area, which includes the heavily industrialized States of the Midwest. (See table 4 for regional data and area definitions). Another large concentration of such workers (800,000) was found in the Middle Atlantic area, which consists of New Jersey, New York and Pennsylvania.

• **Moving to another area.** Only a small minority of the 5.1 million displaced workers (680,000) moved to a different city or county to look for work or to take a different job. However, of those who did move, a higher proportion were reemployed in January 1984--almost 3 in 4, in contrast to 3 in 5 of the nonmovers. (See table 7.)

• **How long without work?** On average, the displaced workers had spent nearly 6 months without work after they had lost their jobs. That is, the median period without work--which need not have been a continuous spell and could have included time spent outside the labor force--was 24.1 weeks. However, it should also be noted that about one-fourth of these 5.1 million workers were still jobless when surveyed.

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